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THE EURO IS HERE

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Euro Opens Strongly as Traders Spring Into Action



RATIONS LINE—Iraqis waiting Sunday at a government office in Baghdad for food and medicine rations. Unbowed by years of sanctions and with no clear U.S. plan to defeat him, Saddam Hussein refused to continue challenging U.S. and British patrols of no-flight zones. Articles between Pages 5 and 6.

By Barry James
International Herald Tribune

PARIS — The new European single currency, the euro, opened strongly in Asia-Pacific currency markets Monday after European central bankers, having worked through the holiday weekend, had pronounced themselves ready for the currency's introduction in European markets.

The euro hit trading screens in Sydney at 1800 GMT on Sunday as Australia became the world's first major market to deal in the new currency. The euro opened at \$1.1747, higher than the reference rate of \$1.17 given Thursday by the European Central Bank, and at 133.20 yen, slightly stronger than the level of 132.80 yen set by the bank.

Traders also reported opening trades of 70.8 British pence — higher than the reference rate of 70.5 pence — 1.6110 Swiss francs and 1.9190 Australian dollars. Earlier, in the Bombay market, one of the few that was open New Year's Day, the euro closed Friday at \$1.1720.

In Tokyo, the euro opened at 133.15 yen, also at 1800 GMT on Sunday — 3 A.M. on Monday, local time — but major trading was not expected to take place until about five hours later, when most traders were due to return from the New Year's weekend.

The main test of the new currency's strength against the dollar, analysts said, was expected to come Monday in London, which has the largest segment of the \$1.5 trillion-a-day global currency market.

The European Central Bank said Sunday that national central banks and commercial financial operations in the 11-nation euro zone were ready to start

	1.000	1.000	1.000	1.000
112.93	112.97	112.97	112.97	112.97
1.1687	1.1697	1.1697	1.1697	1.1697
131.98	132.14	132.14	132.14	132.14
132.20	132.21	132.21	132.21	132.21

A money trader in Tokyo checking the first euro-yen rates early Monday.

trading Monday after one of the biggest and most concentrated data-entry programs in history.

"Throughout the process of conversion undertaken this weekend by the European Central Banking System, there has been no report of any incident that could impede the start of trading in euros, the bank said.

The central bank, with a staff of fewer than 600, is the pyramid of a system that includes the national banks of the 11 countries adopting the single currency — France, Germany, Italy, Spain, Belgium, the Netherlands, Luxembourg, Portugal, Ireland, Finland and Austria.

The 2 Faces Of Europe Challenge Unity Drive

By Roger Cohen
New York Times Service

AACHEN, Germany — Europe has two faces, one bright and one dark, and they are evident on Germany's western and eastern borders as the Continent crowns four decades of integration with the adoption of a single currency, the euro.

Here in Aachen, which lay in ruins in 1945, borders have ceased to exist. It has become common for people who work here to live in Belgium and go to the Netherlands regularly for leisure or recreation — or the other way around. The sweet whiff of prosperity seeps from Italian shoe stores, Spanish tapas bars, French *croisseries* and English pottery shops that line the pedestrian shopping areas on all sides of the borders.

"This used to be a border city, but no longer," said Hans Poth, a spokesman for the Aachen town council who lives in Belgium. "And once we have the euro, the last barriers will disappear."

But a few hundred kilometers to the east, in Gorliz, crumbling facades testify to decades of Communist rule. The town is split in two as it has been since 1945, when its eastern districts went to Poland as European borders were rearranged after World War II. A single bridge, clogged by long lines of traffic, links the German and Polish parts.

While Aachen's disappearing borders symbolize the growing unity of Western Europe, Gorliz underlines the continuing division of the Continent.

Rolf Karbaum, mayor of the German part of Gorliz, gazed out over a disjointed vista of baroque homes built centuries ago by German burghers and apartment blocks left by Polish Communists.

"Now we want to be one city again," he said. "But for that, we need Poland in the European Union and the euro as our currency on both sides of the river."

Aided by the United States, post-war Europe has risen from the ruins of 1945 and overcome perennial rivalries through a bold vision of union that has brought prosperity and peace to regions plagued for

See EURO, Page 16

U.S. investors see long-term gains for the European markets. Page 12.

newspaper columnist, "is that it's Britain versus Germany" — depicted not just as the bulldozing power behind the euro's creation but also as the driving force of a United States of Europe.

As the euro became reality in global electronic trading Sunday night, those opposed to the new currency raised alarms anew that the currency was no more than a Trojan horse for a European superstate in which the essence of Britishness would be lost. "How can the government keep pretending that it is

Britain Outside, Again Although the Euroskeptics Are Determined, Country May Not Be Able to Resist the Tide

By Alan Cowell
New York Times Service

LONDON — Holding back on the brink as it has at every turn toward European integration, Britain observed the birth of the euro single currency as a nation apart over the weekend, its leaders mute even as the banks that power the City of London prepared to trade the new money by the trillion.

Neither Prime Minister Tony Blair, on vacation in the Seychelles, nor Chancellor of the Exchequer Gordon Brown had anything to say about the inception of the currency from which Britain has initially excluded itself, and whose arrival with the new year has been cast as an event of momentous proportions for the 290 million people in the 11 countries participating in it.

If there were a single historical clue to Britain's reticence, it lay perhaps in lines penned almost 70 years ago by Winston Churchill that have defined Britain's ambivalence toward the land mass across the Channel ever since: "We are with Europe, not of it. We are linked but not comprised."

Britain is by far the most significant politically and economically of the four European Union member countries outside the euro zone, with Denmark, Sweden and Greece being the others. Here, public debate about the euro has

North Korea Becoming Increasingly Bellicose A Threat to Wipe Out America 'for Good'

By Nicholas D. Kristof
New York Times Service

TOKYO — With warnings like latest threat to wipe American imperialism "from this planet for good," North Korea seems to have grown more hard-line and militarized in recent months, and some experts fear a major security crisis on the Korean Peninsula later this year.

Tensions are rising in particular because of North Korea's missile tests and suspicions that it is secretly developing nuclear weapons in a constellation of underground complexes around the country. The result is a stalemate between North Korea and the West, on top of what appears to be growing mutual distrust and a disillusionment on each side for the other.

"The situation will be very, very dangerous in the next few months," said Han Park, a political scientist and North Korea specialist at the University of Georgia.

The stalemate is threatening to destroy the 1994 Agreed Framework, which has been widely touted as one of President Bill Clinton's major foreign policy successes and has been the centerpiece of Western efforts to achieve a lasting peace on the Korean Peninsula.

The agreement was the culmination of a tense confrontation in the summer of 1994 that U.S. officials now acknowledge took them much closer to war with North Korea than was generally realized, and if it falls apart the danger of war could again loom on the peninsula.

Under the Agreed Framework, North Korea was to give up its nuclear program and in exchange the West was to supply fuel oil and a kind of nuclear reactor that cannot easily be used to produce nuclear weapons.

North Korea has a taste for threats and brinkmanship, so it is entirely possible that last-minute solutions will be found. Still, if the stalemate continues, then some analysts warn that the United States could face a confrontation with North Korea similar to the one it already faces with Iraq, except that North Korea is believed to have nuclear and chemical weapons and probably has the ability to kill millions of people in the course of losing a war.

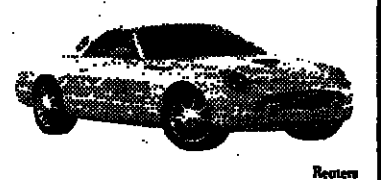
The immediate challenge is the mystery surrounding several North Korean

AGENDA

Israelis Arrest 14 In Christian Cult

The Israeli police detained 14 members of a cult based in Denver on Sunday, accusing them of coming to Jerusalem to plant their own violent deaths to coincide with the millennium.

The 14 are said to be members of Concerned Christians, which U.S. law-enforcement officials believe is a doomsday cult. Page 7.



Thunderbird Redux

Ford has unveiled a model of its revived Thunderbird — an updated version of the classic, head-turning coupe from the 1950s. Page 11.

Books.....Page 6.
Crossword.....Page 10.
Opinion.....Page 8.
Sports.....Pages 18-20.
The Internet.....Page 4.
The IHT online.....www.ihon.com.

Why 'Beijing Spring' Cooled: Dissidents Overstepped

By John Pomfret
Washington Post Service

BEIJING — Six months ago, President Bill Clinton journeyed here and praised his host, President Jiang Zemin, as a visionary. Western observers proclaimed a new period of political openness in this Communist giant. Newsweek labeled it a "Beijing Spring."

Then a cold front arrived.

Meting swift and Draconian justice, Chinese courts in December sent at least six dissidents to jail or labor camps for attempting to establish the country's first opposition party. Mr. Jiang emerged twice in a week to order that any sprouts of organized political opposition be "nipped in the bud."

China's highest court issued new regulations warning publishers of stiff jail terms if they "threatened state security." A day later, the Communist Party's mouthpiece, the People's Daily newspaper, reported that 16 persons were jailed in the last year for publishing illegal political tracts.

What is going on in China? The arrests and stiff sentences, the crackdown and tough words are a response to attempts to found the China Democracy Party — a direct threat to the Communist Party, which has never brooked organized dissent in its 50 years in power. But the current campaign is also part of a

2 Khmer Rouge Chiefs Go Back Home Phnom Penh Lets Them Join Other Ex-Guerrillas After National Tour

By Seth Mydans
New York Times Service

PHNOM PENH — Two Khmer Rouge leaders ended their six-day grand tour of Cambodia on Sunday and returned to a remote jungle town that has become a well-guarded haven for defectors from the Communist movement, officials said.

The leaders, Khieu Samphan and Nuon Chea, came in from the cold on Christmas Day, then were escorted around a nation that is still painfully rebuilding from the ruin the Khmer Rouge inflicted from 1975 to 1979, when more than 1 million people died.

It was a tour that has been offered to previous defectors, designed in part to

disabuse them of the continuing belief among many Khmer Rouge that the country is still under the thumb of Vietnam and that Cambodians are ready to rise up in their support.

After being welcomed here by Prime Minister Hun Sen, the two leaders visited the beach resort of Sihanoukville, then spent a night at the ancient temples of Angkor Wat.

Officials said they returned Sunday to Pailin, a remote and maddening town on the Thai border, which has given sanctuary to the Khmer Rouge in the past. About 2,000 Khmer Rouge troops are also stationed there, nominally part of the government army following their defections over the last two years.

In recent statements, Mr. Hun Sen has left his options open over whether to accede to international demands that top Khmer Rouge figures be put on trial for crimes against humanity.

Several, but not all, of these figures — including former Foreign Minister Ieng Sary — have gathered in Pailin. If any of the leaders are to be produced for trial, some new agreement with the Khmer Rouge who control Pailin will be needed, along with the cooperation of Thailand.

The Thais have denied helping the



PAKISTAN BLAST — The wife of a bomb victim at the site Sunday near Lahore. Prime Minister Sharif was the apparent target. Page 4.

Newsstand Prices

Sahrawi	1,000 BD	Malta	55 c
Cyprus	C 2.100	Nigeria	12500 Naira
Dominican	17.000	Oman	1,250 OR
Finland	12.000	Qatar	10.000 QR
Ghana	0.085	Rep. Island	IR 11.10
Greenland	1.000	Saudi Arabia	10 SAR
Guinea	1.000	U.A.E.	10.000 DH
India	1.250	U.S. M.L. (Eur)	1.250
Jordan	1.250	U.S. M.L. (Eur)	1.250
Korea	700	Phil	2m.400.00
Kuwait	700	Phil	2m.400.00

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Scars From the Embassy Blast / 'Primary Severe Injury Was Eyes, Eyes, Eyes'

Blinded Kenyans
Rebuilding LivesBy Karl Vick
Washington Post Service

NAIROBI — On that chilly August morning, the sound of the first explosion outside the U.S. Embassy brought workers in nearby buildings out of their seats and over to the windows, curious. The second blast blew those windows into their faces.

"Our orthopedic colleagues said that usually when we get a mass trauma like that you get a lot of limbs fractured," said Marina Gondli, a Nairobi physician. "But this time it was the eyes and face. All above-the-neck injuries."

What the Aug. 7 embassy bombing has meant to Kenya — on top of the 213 deaths, the shattered extended families and what people here call an "off-key" holiday season — is an abrupt, dramatic increase in the number of people who no longer have eyes. Of the 5,000 people injured by the blast, the "primary severe injury was eyes, eyes, eyes," Dr. Gondli said. The Kenya Society for the Blind, which before Aug. 7 saw its caseload increasing by one or two a month, suddenly added 153 clients.

The figure includes scores of people whose vision was permanently impaired by lacerating debris. One in six is like Catherine Achieno Biira, who heard the roar, felt the rumble and looked up just as a wedge of plate glass flew toward her eyes — and ended up with no vision at all.

"Help me! Help me! I cannot see!" Miss Biira cried from the floor beside her desk in the Ufundi Cooperative Building, which overlooked the parking lot where the truck bomb went off. Her clothes shredded by the flying glass, she was helped down the stairs by a woman who held the rags over Miss Biira's belly, swollen in the seventh month of pregnancy. She remembers hearing shouts, broken glass and the siren of the ambulance that carried her away to Nairobi Hospital.

Miss Biira, a clerk at the national Teacher Service Commission office, lost one eye instantly. What remained of the other was removed a day later by surgeons who had worked frantically at hospitals all over Nairobi the previous day simply stitching up lacerated corneas.

That was all they could do at first. "Close the wound, so to speak," said Dr. Gondli, who is an eye surgeon at Kenyatta National Hospital, the largest and much-maligned public hospital in Kenya. The resident staff lacked the expertise, and the hospital's equipment, to even attempt repairs to the delicate inside of the eye. For that work, experts from Germany and Egypt flew in. They operated on 50 people. "A lot of vision was saved," Dr. Gondli said.

But not all. Miss Biira, for one, now had wounds instead of eyeballs. Still, when her husband, Henry Lukhoba, heard the foreign experts had come, he went from Nairobi Hospital, where his wife was being treated, to Kenyatta. There he was



Douglas Siadolo in a Nairobi hospital bed as his sight faded from wounds sustained in the bombing of the U.S. Embassy. He is one of many whose eyes were lacerated by glass shards.

approached by a gentle young man wearing extremely thick glasses. Anderson Gitonga knows a little about eyes. He was on his way to being blind himself until a cornea transplant restored a measure of his vision robbed by progressive keratoconus. That surgery, combined with training in independent living from a local institute, brought him to a job at the Kenya Society for the Blind.

Nine days after the bombing, Mr. Gitonga was at the dingy public hospital looking for people who might benefit as he had. He came upon Mr. Lukhoba, who thought there was still hope. "We went to Kenyatta to see if anything could be replaced, a cornea, an iris," Mr. Lukhoba said. "You never know, maybe something has just come up. And when these things come up, it is usually from these Western countries, not from Kenya."

Mr. Gitonga told him that if the eyeball was gone, so was any hope for sight. The news hit Miss Biira's husband hard.

"All of a sudden," he said, "someone wakes up in the morning, goes to work, and that is the last day that person sees. You really don't know who to be annoyed with."

IF THERE was a bright spot, it was the pregnancy, which survived the bombing and the two months of hospitalization Miss Biira, 24, required to mend a deep throat wound. When discharged she was home only a few days before returning to the private Nairobi Hospital to have the baby, on Oct. 26.

It was as if two lives were delivered that day. "Before getting the child, I felt very useless and hopeless," Miss Biira said. "But now I have the hope. And the energy."

She learned to breast-feed, bathe and change her baby at the local training institute that earlier had taught her the first rudiments of independent living, beginning with how to walk unaided. She is working on Braille: "I can now write my name." And she has found solace and strength in sharing her experience with others blinded by the bomb.

The training, moreover, has sharpened her ambition. But like much in Kenya, it is likely to be stunted by inadequate resources. A paucity of funds may threaten some efforts to recover from the bomb.

"What is making our work difficult is the issue of resources," said Mr. Gitonga of the Kenya Society for the Blind. "The whole process is quite expensive in terms of equipment and personnel."

Kenya has no eye banks, for example, and thus no repository for the corneas that could be transplanted into a bombing victim whose hastily stitched eye has healed into a scar that badly blurs sight. The Society for the Blind recently received voice-recognition computers on which to train the blind. But, once trained, Miss Biira, for instance, has almost no chance of finding a similar computer in a Kenyan workplace — or of showing up at a job interview with one of her own. Before the bombing, she lived with her husband, a day laborer, in a slum.

"There are lots of events going on in the world," Mr. Lukhoba said. "Another bomb will be someplace. So attention will shift from Nairobi."

"And once people forget," he added, "whoever is helping will say, 'I've done what I can.' We don't know where to turn next. Sustainable income is better than handouts. How long are you going to get handouts?"

Bin Laden Indicates
He Instigated Attacks

The Associated Press

NEW YORK — Osama bin Laden, the exiled Saudi millionaire, appears to admit in a Time magazine interview that he instigated the terrorist bombing of two U.S. embassies in Africa in August. He has previously denied any role.

Time said the interview was conducted Dec. 22 at Mr. bin Laden's encampment in Afghanistan. Asked if he was responsible for the embassy attacks, he couched his response in religious references, as he did with most questions.

"If the instigation for jihad against the Jews and the Americans... is considered a crime, then let history be a witness that I am a criminal," Mr. bin Laden was quoted as having said in the Jan. 11 issue of the magazine.

"Our job is to instigate, and by the grace of God, we did that, and certain people responded to this instigation," he added.

On Dec. 24, a Pakistani news agency quoted Mr. bin Laden as having said that he was "not involved" in the bombing "but I don't regret what happened there."

U.S. officials have indicted Mr. bin Laden on charges of directing bomb attacks on the U.S. embassies in Kenya and Tanzania on Aug. 7 that killed 224 people, including 12 Americans.

He also is suspected in terrorist attacks on U.S. targets in Saudi Arabia and other incidents. The United States retained 13 days after the embassy bombings with cruise missile raids on suspected Muslim militant training camps run by Mr. bin Laden in northern Afghanistan and on a factory in Sudan that was suspected of making nerve gas components for him.

Asked if he knew two men in custody in the United States in the bombings, Mr. bin Laden replied: "What I do know is that those who risked their lives to earn the pleasure of God are real men. They managed to rid the Islamic nation of disgrace."

He said he knew one of the two, Wadhi Hage, but had not seen or heard from him in several years.

He said that Mr. Hage "has nothing to do with the U.S. allegations," and implied that the second man, Mohammed Rashed Daoud Owhali, also was innocent.

Discussing U.S. accusations that he seeks to acquire chemical and nuclear weapons, Mr. bin Laden said: "Acquiring weapons for the defense of Muslims is a religious duty. And if I seek to acquire these weapons, I am carrying out a duty."

He criticized U.S. and British strikes in Iraq last month, saying that they were part of a plot to help Israel divide, enslave and loot the Muslim world. As for Somalia, where the United States has accused him of a background role, Mr. bin Laden said, "God knows that we have been pleased by the killing of American soldiers."

The article also quoted aides as saying that Mr. bin Laden's contact with the outside world was limited to radio and newspaper reports and that he rarely used his portable satellite phone for fear the Americans would use the signal to target his location.

U.S. Midwest
Reels Under
Snowstorm

Compiled by Our Staff From Dispatches

CHICAGO — Midwesterners awoke to tall snowdrifts and frigid temperatures Sunday after what weather forecasters said was the second-heaviest snowstorm in Chicago's history.

The powerful winter storm that dumped 22 inches (56 centimeters) on Chicago swept eastward, carrying rain and ice to the East Coast and nearly paralyzing holiday travel in the region.

For Chicago, the storm ranked second only to a two-day 1967 blizzard, which buried America's third-largest city under 23 inches of snow.

The storm also dumped snow on much of Indiana, Illinois, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, Ohio and Wisconsin.

Airlines operating in the Midwest struggled to meet busy schedules disrupted by the storm, and road crews operated plows through the night to beat back blowing and drifting snow on main roads and highways.

"Things are much improved, but there will be some cancellations and delays," said Dennis Colton of the Chicago Aviation Department. He said stranded travelers had spent the night on cots and benches at O'Hare International Airport, the country's busiest airport, which managed few flights during the height of the storm Saturday.

With an estimated 1.9 million passengers expected to fly home Sunday at the end of the holiday weekend, airlines



A Chicagoan getting about on skis over the weekend during the second-heaviest snowstorm in the city's history.

and travelers were bracing for nightmare conditions throughout the day. American Airlines and United Airlines said they expected to operate half of their scheduled flights out of O'Hare. A spokesman for United said anyone planning to fly out of O'Hare should wait until Monday or Tuesday.

Most major roads had been cleared, although a major north-south highway in Indiana remained closed and Chicago's Lake Shore Drive had not reopened.

Temperatures in Chicago on Sunday hovered around 21 degrees Fahrenheit (minus 6 centigrade), but wind-chill readings were as low as minus 18 Fahrenheit (minus 28 centigrade). As many as a dozen deaths were

blamed on weather-related accidents, including two huge pileups involving more than 110 vehicles in Wisconsin on Saturday in which at least one motorist died. Two people reportedly died while shoveling snow in central Illinois.

The storm was expected to spread its icy, dangerous driving conditions to the Northeast on Sunday. An ice storm hit from Maryland to South Carolina on Saturday, leaving about 36,500 customers without power in the Carolinas.

By Saturday, the storm had dumped 12 inches of snow in Milwaukee and 11 inches on Detroit Metropolitan Airport. It was 13 inches deep in Park County in western Indiana, and 10 inches of new snow had fallen in southwestern Ohio.

The Postal Service quit delivering mail in the Indianapolis area Saturday. Rain, sleet and freezing temperatures had made it too dangerous for carriers to walk their routes, the postmaster, Mike Lamborne, said.

The southern flank of the storm carried tornadoes and severe thunderstorms into Florida. More than a dozen homes and cars were destroyed by tornadoes and high winds in the northern part of the state, and more than 100 homes in Palm Beach County, farther south, were flooded by heavy rains.

Thunderstorms and tornadoes also knocked out power lines and damaged mobile homes in eastern Texas.

(Reuters, AP)

Clinton to Seek Increase
In Pentagon's BudgetBy Dana Priest
Washington Post Service

WASHINGTON — President Bill Clinton will propose the largest increase in military spending since the end of the Cold War buildup of the 1980s in the budget he will send to Congress next month.

Responding to demands by the nation's top commanders, Mr. Clinton's fiscal year 2000 budget will include a boost in spending on the armed forces of \$12 billion and a total increase of about \$110 billion over the next six years, according to administration and Pentagon officials.

If approved by Congress, the increase would fund the largest military pay increase since 1984 and a round of new, sophisticated jet fighters, attack helicopters and warships, although it would be less than the \$148 billion increase sought by the Defense Department.

Mr. Clinton's proposal would bring military spending in the next fiscal year, which begins Oct. 1, to \$296 billion and represent the first substantial, sustained increase for the Pentagon in 15 years, defense officials said.

"We must undertake this effort today so that our nation will remain strong and secure tomorrow," Mr. Clinton said Saturday in his weekly radio address. "The more we ask, the greater our responsibility to give our troops the support and training and equipment they need."

The Balanced Budget Act of 1997 requires that any increase in spending in one budget area be offset by cuts in

spending in another. Administration officials declined to say how they would come up with the additional money.

Over the last few months, the U.S. military chiefs, led by Defense Secretary William Cohen, held what a participant called an unprecedented series of meetings with Mr. Clinton to argue for the increase. In those meetings, the commanders argued that the increase was necessary to boost pay and retirement benefits to retain midlevel officers and noncommissioned officers and to maintain and improve the most sophisticated arsenal in the world.

The military leaders were backed by conservative members of Congress who repeatedly had attacked Mr. Clinton for giving the military a range of new missions — including peacekeeping in Bosnia and Haiti, full-time air patrols over Iraq, and anti-drug efforts — without the funding needed to carry them out while also maintaining a proper level of training and the equipment to fight a major conventional war.

Senator John Warner, Republican of Virginia and the incoming chairman of the Armed Services Committee, said that the administration proposal "falls way short" of the needs targeted by the Joint Chiefs of Staff and that Congress would increase the commitment.

Mr. Warner said Mr. Clinton was "very clever" to unveil his plan just before a planned hearing on military readiness before Mr. Warner's committee on Tuesday. The senator said he expected the Joint Chiefs of Staff would "hold firm to our earlier, much higher dollar requirements."

TRAVEL UPDATE

Royal Gallery Expansion

LONDON (AP) — In what is being seen as another step toward a more open monarchy, Queen Elizabeth II is to open more of the royal art collection to the public.

Buckingham Palace confirmed Saturday that work is to begin this year to double the size of the royal art gallery. The Sunday Times reported the gallery is scheduled to open in time for the 50th anniversary of the queen's accession to the throne in February 2002.

Florence Chapel Closed

FLORENCE (AP) — The New Sacristy, a chapel housing some of Michelangelo's finest sculptures, was closed after a piece of marble crashed from the cupola to the floor.

The ANSA press agency said officials planned to reopen the chapel in about a week, most likely after installing a shield of some sort to protect visitors.

Washington Traffic Knot

WASHINGTON (WP) — The Springfield interchange, that treacherous Northern Virginia junction in the Washington metropolitan area, soon will undergo a massive untangling.

The renovation is expected to cost at least \$350 million and create eight years of exasperation for commuters.

Hong Kong Airport Busy

HONG KONG (Reuters) — Hong Kong International Airport at Chek Lap Kok handled 100,000 passengers on one day, its highest number ever, during the recent holiday season, the Airport Authority said.

This Week's Holidays

Banking and government offices may be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bermuda, Hungary, New Zealand, Russia, Scotland, Slovakia, Taiwan, Zaire.

TUESDAY: Armenia, Hungary, Slovakia, Sweden, Cyprus, Dominican Republic, Finland, Greece, Hungary, Italy, Liechtenstein, Slovakia, Spain, Sweden, Uruguay, Venezuela, Virgin Islands.

THURSDAY: Georgia, Macedonia, Moldova, Russia, Ukraine, Yugoslavia.

FRIDAY: Bahrain, Bangladesh, Bosnia, Israel, Moldova, Oman, Russia, Saudi Arabia.

Sources: Bloomberg, Reuters.

Correction

The issue of Jan. 2-3 carried a crossword puzzle that had been published previously. The correct puzzle, along with today's version, appears on Page 10.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.

Europe				Asia			
City	Today	High	Low	City	Today	High	Low
Algeria	10/15	11/20	9/15	Algeria	10/15	11/20	9/15
Amsterdam	10/15	11/20	9/15	Amsterdam	10/15	11/20	9/15
Antwerp	10/15	11/20	9/15	Antwerp	10/15	11/20	9/15
Athens	10/15	11/20	9/15	Athens	10/15	11/20	9/15
Berlin	10/15	11/20	9/15	Berlin	10/15	11/20	9/15
Bombay	10/15	11/20	9/15	Bombay	10/15	11/20	9/15
Buenos Aires	10/15	11/20	9/15	Buenos Aires	10/15	11/20	9/15
Calcutta	10/15	11/20	9/15	Calcutta	10/15	11/20	9/15
Cardiff	10/15	11/20	9/15	Cardiff	10/15	11/20	9/15
Chennai	10/15	11/20	9/15	Chennai	10/15	11/20	9/15
Colombo	10/15	11/20	9/15	Colombo	10/15	11/20	9/15
Dhaka	10/15	11/20	9/15	Dhaka	10/15	11/20	9/15
Dubai	10/15	11/20	9/15	Dubai	10/15	11/20	9/15
Guangzhou	10/15	11/20	9/15	Guangzhou	10/15	11/20	9/15
Hankow	10/15	11/20	9/15	Hankow	10/15	11/20	9/15
Hong Kong	10/15	11/20	9/15	Hong Kong	10/15	11/20	9/15
Kobe	10/15	11/20	9/15	Kobe	10/15	11/20	9/15
London	10/15	11/20	9/15	London	10/15	11/20	9/15
Los Angeles	10/15	11/20	9/15	Los Angeles	10/15	11/20	9/15
Manila	10/15	11/20	9/15	Manila	10/15	11/20	9/15
Mumbai	10/15	11/20	9/15	Mumbai	10/15	11/20	9/15
Nairobi	10/15	11/20	9/15	Nairobi	10/15	11/20	9/15
Osaka	10/15	11/20	9/15	Osaka	10/15	11/20	9/15
Paris	10/15	11/20	9/15	Paris	10/15	11/20	9/15
Seoul	10/15	11/20	9/15	Seoul	10/15	11/20	9/15
Singapore	10/15	11/20	9/15	Singapore	10/15	11/20	9/15
Taipei	10/15	11/20	9/15	Taipei	10/15	11/20	9/15
Tokyo	10/15	11/20	9/15	Tokyo	10/15	11/20	9/15
Yokohama	10/15	11/20	9/15	Yokohama	10/15	11/20	9/15

THE AMERICAS

As Washington Toes the Party Line, Voters Declare Their Independence

By Michael Grunwald
Washington Post Service

FRAMINGHAM, Massachusetts — Massachusetts is widely known as the most Democratic state in America, the liberal hotbed that produced Tip O'Neill, Michael Dukakis and the Kennedys.

It is a state with an all-Democratic congressional delegation, a state where only 13 percent of registered voters are Republicans. It gave President Bill Clinton wholehearted support and its 12 electoral votes in the 1996 election.

But the common view of Massachusetts as a lockstep Democratic state is not quite accurate. Democratic voters are not a majority here, not even a plurality. The state's leading political affiliation, with 49 percent of all registered voters, is no affiliation at all.

The rise of the independent voter helps explain why moderate Republicans have won three consecutive elections for governor in Massachusetts — including the victory in November of

Paul Cellucci, a former used-car dealer who was perhaps best-known for running up \$750,000 in personal debts.

The trend also helps explain why, elsewhere in the Northeast, moderate Republican governors were easily re-elected in the supposedly Democratic states of New York, Connecticut and Rhode Island; a Democratic governor was easily re-elected in supposedly Republican New Hampshire, and an independent governor, Angus King, won again in Maine.

Just when Washington politicians seem increasingly partisan, voters across the United States seem less and less interested in party labels, a trend that has been gaining strength for more than three decades.

The percentage of registered independent and third-party voters in the United States climbed from about 2 percent of eligible adults in 1964 to about 15 percent in 1996, and they have emerged as a key bloc in close elections. At the same time, voters who do choose sides have shown an increasing willingness to cross party lines.

The registered independents and the ticket-splitters are part of the same trend toward an increasingly nonpartisan electorate that has played a key role in such developments as the triumphs of pragmatic Republican mayors in historically Democratic cities such as New York and Los Angeles; the emergence of Ross Perot and his Reform Party; and the stunning election of the former professional wrestler Jesse Ventura, a Reform Party candidate, as governor of Minnesota.

"Party allegiance is getting weaker every year, and there are no signs that will change," said Curtis Gans, director of the Committee for the Study of the American Electorate, which provided the figures. "It had a major impact in these latest elections, with Jesse Ventura being the most obvious example. But it's happening all around the country."

And that includes Massachusetts, where Democrats hold 82 percent of the seats in the state legislature even though the state is second only to Alaska in its percentage of independent voters. That is partly because Massachusetts'

annual election laws allow independents to vote in party primaries.

But while national studies have shown that registered independents often favor one party or the other, Massachusetts politicians agree that most independents here are "in play."

That is why Mr. Cellucci, who is not nearly as popular as his charismatic Republican predecessor, William Weld, aimed his campaign directly at independents — and won.

"People call this the last bastion of the Democratic Party, but it's a myth," said Michael Goldman, a Democratic consultant in Massachusetts. "It's all about the independents now."

As reflected by interviews with registered voters in the bellwether town of Framingham, the trend toward a nonpartisan electorate has been accelerated by initiatives that have made it easier to register to vote. These measures have helped extend the franchise to more casual voters who are less likely to identify with parties while diminishing the importance of party-run registration drives.

But the trend also owes something to the decline of urban political machines that used to demand party allegiance, to the rise of advertising that allows individual candidates to make their pitches directly to the voters and to the alienation of younger Americans from traditional institutions.

There is also a circular effect: As voters have shown a willingness to cross party lines, the parties have moved to the middle to attract them. That has made the parties more alike, encouraging even more voters to cross party lines.

The upshot is that more than 200 years after James Madison warned about the dangers of partisan factions in the Federalist Papers, Americans are slowly warming to his argument.

In a Gallup poll in 1996, only 14.6 percent of the voters surveyed had "quite a lot" of confidence in political parties, while 42.6 percent had "very little."

"I'm not fond of either party," said Barbara Brown, a Framingham housewife and independent voter. "To tell the truth, I can't even tell them apart anymore."

Clinton Trial Now Divides Republicans

By Guy Gugliotta
and Helen Dewar
Washington Post Service

WASHINGTON — When Congress returns to work this week, its first order of business will be the impeachment trial of the president of the United States, resuming a divisive process that has already brought months of anguish to the nation and its leaders.

But as the venue changes from impeachment in the House to trial in the Senate, so, too, does the nature of the conflict. Before the Christmas intermission, the battle was joined on almost purely partisan grounds, as House Republicans, with minimal help from the Democratic minority, passed two articles of impeachment against President Bill Clinton.

Now, the fight is within the Republican Party with the Senate majority leader, Trent Lott of Mississippi, trying to forge a bipartisan compromise on trial procedure in the face of opposition from the House prosecutors, some conservative senators and the conservative interest groups who form much of the party's political base of support.

It is still unclear how Mr. Lott's dilemma, a crucial test of his own and possibly his party's political future, will be resolved. In addition to consulting with his colleagues, Mr. Lott has been talking about ways to proceed with the chairman of the House Judiciary Committee, Henry Hyde, Republican of Illinois.

There are likely to be many twists and turns, and other alternatives examined, in a process that has been tested only once before in U.S. history, 130 years ago.

"We're all in uncharted territory here," said Representative Charles Canady, Republican of Florida and one of the House impeachment managers. "None of us has ever done this before."



THE NEW MAYOR — Anthony Williams being sworn in as mayor of the District of Columbia by Chief Judge Eugene Hamilton of D.C. Superior Court. Mr. Williams's wife, Diane, looked on. Mr. Williams, a lawyer who helped the embattled city overcome some of its financial problems, succeeds Marion Barry.

Mr. Lott has indicated that he will formally convene the trial as early as Jan. 11. As for the trial, the chief justice of the United States, William Rehnquist, will preside, and will swear in the senators as jurors.

The constitution gives the Senate virtually a free hand on how it conducts the trial. Also, any senator may move to end or suspend the trial at any time, and needs only a simple majority, or 51 votes, to accomplish it. Justice Rehnquist would break ties.

"This really is as well as the knowledge that it takes a two-thirds majority to convict a president and remove him from office — is motivating Mr. Lott to seek a compromise that both Democrats and his conservative colleagues can accept."

Mr. Lott's plan, apparently supported by most Democratic senators and an uncertain number of Republicans, envisions a procedure in which senators, after initial arguments from both sides, would vote almost immediately on whether the alleged offenses committed by Mr. Clinton

over his involvement with the former White House intern Monica Lewinsky rise to the level of removal from office.

The trial would proceed only if two-thirds of the senators agreed. Otherwise, the Senate would move immediately toward consideration of some kind of resolution censuring the president for his alleged misconduct.

By contrast, the House prosecutors, known as "managers," argue that only with a full-scale trial, complete with witnesses, will the Senate be able to make an informed judgment in the case. Mr. Lott, with its supporters, would make the case that the nation for the first time could see and hear direct testimony from Ms. Lewinsky, her former friend, Linda Tripp, and other figures in the perjury and obstruction of justice case against Mr. Clinton.

Adapting a bipartisan proposal crafted by Senators Joseph Lieberman, Democrat of Connecticut, and Slade Gorton, Republican of Washington, Mr.

Lott hopes to encourage a speedy end to an impeachment drama.

Under the plan, the House managers would present their case for conviction and removal from office on Jan. 11, and the White House would present its defense on the following day. The next day, the Senate would ask questions of the two sides, by passing them to Justice Rehnquist, as the constitution requires, who will read them. On Thursday, the Senate will vote on whether the offenses alleged merit removal from office.

With no Democrat now known to support removal, it appears unlikely that the measure will receive the two-thirds majority necessary to proceed to a full-scale trial. At that point, the likelihood outcome is that the Senate will close the trial and consider a censure resolution.

Many sources say, however, that Mr. Lott would be unlikely to press forward with his plan unless he could get a majority of the Senate's 55 Republicans to support it, along with what would likely be almost all of the 45 Democrats.

Senators Say Clinton Won't Emerge Clean

The Associated Press

WASHINGTON — Bill Clinton isn't likely to be removed from office, but his presidency is permanently blighted by his impeachment on charges he lied about his affair with Monica Lewinsky, senators said Sunday.

"President Clinton is whistling past the graveyard if he thinks that this is going to be forgotten during the course of the next 20 years or for that matter in the next 200 years," said Slade Gorton, Republican of Washington.

Mr. Gorton, appearing with five other senators on the NBC News program "Meet the Press," said he thought the House articles of impeachment accusing Mr. Clinton of perjury and obstruction of justice to be sufficient to remove the president from office. But he also said he did not believe that the two-thirds Senate vote needed to convict Mr. Clinton could be attained.

Instead, he and a Democratic senator, Joseph Lieberman of Connecticut, have floated a plan under which the Senate, after several days of hearing arguments from both sides in the case, would vote on whether the charges warrant removing Mr. Clinton from office. If the vote fails to attain two-thirds majority, the Senate could end the trial and consider a censure motion against the president.

Mr. Gorton and others supporting the expedited procedure stressed that this would not let Mr. Clinton off the hook. "Papal indulgence would not help here," said Senator Joseph Biden, Democrat of Delaware.

Mr. Lieberman, one of the first Democrats to criticize the president openly over the Lewinsky matter, said the scandal stains Mr. Clinton's otherwise good record, adding, "The impeachment puts that mark indelibly in the history books."

The new session of Congress begins Wednesday, and Senate leaders must make a quick decision on how they plan to proceed with a trial.

The Senate majority leader, Trent Lott of Mississippi, who has expressed interest in the Gorton-Lieberman plan, acknowledged in an interview in Time magazine the difficulty of the question. Whatever he does, Mr. Lott said, he will be "bashed by the left," which wants the impeachment matter ended promptly, or "criticized by people on the right," who want a full trial with witnesses.

Senator Arlen Specter said on NBC that he thought the trial could be concluded quickly even if a few main witnesses were called to testify. One witness, the Pennsylvania Republican said, should be Mr. Clinton. "We are entitled to hear from him in a very sensible, straightforward way," he said.

But two other senators, Phil Gramm, Republican of Texas, and Robert Torricelli, Democrat of New Jersey, said the president should not be asked to testify. "That is adding an element of a circus to this matter," Mr. Torricelli said.

All six senators opposed suggestions that a fine be imposed as part of a possible censure resolution. Most doubted that such a move would be constitutional.

POLITICAL NOTES

Giuliani Wows 'Em

PHOENIX, Arizona — The mayor of New York, a tough-talking Italian-American with a reputation as a liberal, swept into this southwestern outpost during the weekend to take on some of the Republican Party's staunchest conservatives.

It was no contest. Mayor Rudolph Giuliani quickly won them over, first with his best raspy Godfather imitation, then by bragging about reducing welfare and crime, then by asserting to this audience of anti-Clintonians that impeachment is not worth it. He won a standing ovation, as well as invitations to be a guest on numerous television shows and favorable comments from skeptics who said they liked his take-chARGE executive style.

The mayor has big ambitions — perhaps the Senate, perhaps higher — and he is out showing his wares to the nation and hoping to raise money for whatever bid he makes. He spoke here at the annual New Year's gathering of conservatives called The Weekend, formerly known as the Dark Ages.

Mr. Giuliani described his push to drive down New York's welfare rolls and cut the murder rate. He disparaged the "romanticism" of homelessness and warned that while food stamps were vital for some people, they created the chance for "more fraud than welfare." (NYT)

Commerce Inquiry

WASHINGTON — Commerce Secretary William Daley has asked the department's inspector-general to expand his investigation into whether officials systematically concealed and destroyed documents sought in a lawsuit, after a federal judge made those charges in a rebuke of the department.

Judge Royce Lamberth compared the behavior of former Commerce officials to that of "con artists" and "scofflaws." In harshly criticizing the department in a ruling last month, Mr. Lamberth demonstrated that he had lost patience in trying to supervise a lawsuit brought by Judicial Watch, a conservative group, against the department.

Judicial Watch has charged in its four-year-old lawsuit that the late secretary of commerce, Ron Brown, favored donors to the Democratic Party in giving out highly prized seats on government trade missions overseas. (NYT)

Quote/Unquote

Jesse Ventura, the former professional wrestler who will be sworn in Monday as Minnesota's new governor: "The thing I'm real pleased about is Monday I finally start getting paid." (AP)

40 Years On, Castro Keeps Up Rumble of Revolution

By James C. McKinley Jr.
New York Times Service

SANTIAGO, Cuba — It was the same rebellious figure, but older, and though his message was that of a prophet predicting doom, there seemed to be fewer people listening, both here and abroad, than on that day 40 years ago when Fidel Castro began his long tenure as Cuba's maximum leader.

On Friday night, Jan. 1, Mr. Castro stood on the same City Hall balcony in this seaside colonial city where he gave his address on Jan. 1, 1959, to announce the victory of his rebellion and the end of Fulgencio Batista's dictatorship.

After four decades in power, Mr. Castro cut the figure of an unconquered rebel, dressed as usual in green military fatigues and sporting his gray-

ing guerrilla-fighter's beard. For an hour and 40 minutes, he delivered a scathing attack on free-market capitalism. He compared Wall Street to a balloon about to burst. He railed against derivatives and hedge funds, saying financiers were playing Russian roulette with the world economy.

He said the principles of free markets were incompatible with the principles of human liberty. Then he cast himself and his small island nation as the saviors of socialism.

"Socialism or death!" he yelled as he ended his speech.

About 3,000 hand-picked Communist Party faithful had been given seats in the small Parque de Cespedes below him. The police had sealed off the square from rank-and-file people. Only invited guests were allowed in — party

stalwarts, officials and cultural figures who still associate with Mr. Castro, among them the Nobel Prize winning authors Gabriel Garcia Marquez and Jose Saramago.

After the Cuban leader appeared, the lights went out, and a montage of images from the revolution and Mr. Castro's long political career played out on large screens erected on two sides of the square. For nearly half an hour, the Cuban leader reminisced about the war, about the hardships he and his followers endured in the mountains, under air attack, lacking food, water and guns.

In a nod to his age, 72, Mr. Castro acknowledged that the people he led today had changed. "For the younger generation," he said, "the revolution has barely begun. Our days do not have the same sentimentality for them, nor do

they speak to them."

Then Mr. Castro ran through a list of achievements in health and education, pointing out that the population today was by and large better educated and despite the endless economic embargo by the United States.

Looking forward, he said the globalization of financial markets spelled trouble for the world economy in the long run. He said unfettered capitalism was unsustainable, and he attacked the "neoliberal" philosophy of many Latin American leaders, who have opened their markets, sold off state monopolies and loosened state control over private industry.

The price of free markets is paid in human misery, child labor, prostitution and drug traffic, he said.

Away From Politics

• The U.S. murder rate fell in 1997 to 6.8 per 100,000 people, or 18,209 murders, a level last seen 30 years ago. But killings by gunfire among 18- to 24-year-olds rose from about 5,000 in 1980 to more than 7,500 in 1997, the Justice Department reported. (AP)

• Two days before an attack on a New York company that distributes the international newspaper Al Hayat and other Arabic-language newspapers, an unidentified caller left a threatening message in Arabic on the company's answering machine, said Yazid Mourani, president of Media Marketing Research Inc. in Queens. The message was found after a car was driven through a steel gate in front of the building and set on fire over the weekend. (NYT)

• Lawyers for Mikhail Markhashev, who was convicted of first-degree murder and attempted robbery in the death of Emmis Cosby, son of the comedian Bill Cosby, have filed a petition to get aside his conviction, citing testimony in another trial that their client had not written letters admitting the murder. Mr. Cosby,

27, was killed Jan. 16, 1997, in Los Angeles while changing a tire. (LAT)

• The 21-year-old son of the singer Boyz n the Ring died of a drug overdose, Oscar Scaggs died on New Year's Eve in San Francisco, according to his father's publicist, HK Management Inc. Circumstances surrounding the death were not immediately known. (AP)

Marie Martine bids farewell

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	Country Area code	Telephone number	Country Area code
	81-6-6666-0000		81-6-6666-0000

*Dialing without the extra "6" connects you to a wrong number.

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Phone numbers with "Osaka/Hyogo 6" area code listed on business cards, envelopes, advertisements and catalogues

Target
Phone numbers with "Osaka/Hyogo 6" area code were changed. Phone numbers for fax machines, ISDN and pagers were also changed and not just those for conventional phones. Phone numbers that previously used four-digit city codes "4666" and "7666" were not affected by this change.



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ASIA/PACIFIC

Leader of Pakistan Escapes Bomb Blast

Compiled by Our Staff From Dispatches

LAHORE, Pakistan — Prime Minister Nawaz Sharif escaped what was apparently an assassination attempt in his home city of Lahore on Sunday when a powerful bomb exploded under a bridge shortly before he was to cross it, killing four people.

The government called the blast an "act of terrorism" and an assassination attempt. The police suggested that an ethnic-based party formerly allied with Mr. Sharif was behind it.

The roar of the explosion could be heard for kilometers around Raiwind, where Mr. Sharif's private residence is located.

The blast occurred under a bridge on a section of road between Lahore, capital of the central province of Punjab, and Mr. Sharif's farmhouse at Raiwind, 35 kilometers (22 miles) south of the city.

The bridge, about 3 kilometers from Raiwind, was destroyed in the explosion, which occurred around the time that Mr. Sharif and his family were to have crossed on their way to Raiwind from Lahore.

Their departure was delayed. The family later flew by helicopter to Raiwind.

Information Minister Mushahid Hussain said the bomb was set off on a route regularly used by Mr. Sharif and his family. "Obviously, it was targeting the person of the prime minister," he said.

Mr. Hussain, speaking in Islamabad, said the prime minister was at his residence in Lahore's Model Town neighborhood when the bomb went off.

The time the bomb exploded

"was normally the time when the prime minister usually went on that route to see his parents in Raiwind," Mr. Hussain said.

"Clearly, it was a preplanned and premeditated act of terrorism because it was a time bomb, an explosive device," he said.

Three civilians and a police officer died. Police say they fear another two people still may be buried in the rubble. Three policemen were wounded, according to doctors and police officers in Lahore.

Mr. Hussain said he had talked to Mr. Sharif after the prime minister had arrived at Raiwind. He said he had found Mr. Sharif in "high spirits."

"We are investigating all the aspects of the case," Mr. Hussain said, "but it is too early to blame someone."

The police, however, said they suspected the ethnic Muttahida Qaumi Movement, or MQM. Speaking on condition of anonymity, a police official said three MQM workers had been arrested in the southern city of Karachi in connection with the explosion. The police also raided MQM offices in Lahore, but made no arrests.

Leaders of the movement say that blaming their group is another attempt by Mr. Sharif's government to destroy their political base in the province of Sindh and force their leaders underground.

The MQM, which represents Urdu-speaking people who immigrated from British India at independence in 1947, says the government is engaging in "state-sponsored terrorism" against its ethnic group.

(Reuters, AP)



Police inspecting the site of a bomb explosion Sunday that wrecked a bridge near Lahore, Pakistan.

Police Reportedly Kill 6 in Indonesian Protest

Reuters

JAKARTA — At least six people were killed when security forces fired on demonstrators who set fire to a local government building Sunday in the rebellious Indonesian province of Aceh, witnesses and human rights groups said.

The Aceh police chief, Colonel Juharnis Wiradana, said the security forces fired warning shots to disperse the crowd in the village of Kandang, near the industrial center of Lhokseumawe, 1,600 kilometers (1,000 miles) northwest of Jakarta. He could not confirm the reports of deaths.

An official of a leading Indonesian human rights group said Sunday from Lhokseumawe that dozens

had been wounded and that the area was still tense, with helicopters patrolling and troops blocking main roads. "Locals who were at the scene said that security forces had opened fire with mostly live ammunition," the official said.

Residents said the crowd that attacked the government building had been marching toward Lhokseumawe to protest the detention of a villager by police.

"They held a long march from their village and were stopped by troops before entering Lhokseumawe," said the human rights activist, who asked not to be identified.

Separatist insurgency has been simmering in the staunchly Muslim

province for years. Residents and human rights groups say an army crackdown begun nine years ago involved widespread torture, rape and executions.

In August, the military apologized for past abuses in Aceh and said it was withdrawing all combat troops. A riot erupted in Lhokseumawe in early September after a ceremony marking the last troop withdrawals.

Violence flared again last week when 200 machete-wielding villagers stopped a bus carrying off-duty soldiers in Lhok Nibung, about 80 kilometers east of Lhokseumawe. The military said that eight of the soldiers were tortured and killed. Three mutilated bodies were found.

BRIEFLY

Taiwan Firm to Remove Waste

TAIPEI — The Taiwanese industrial giant Formosa Plastics Corp. said Sunday that it planned to ship some 3,000 metric tons of mercury-laced industrial waste it sent to southern Cambodia to the United States or Europe for disposal.

"We plan to ship the waste out of Cambodia to either the United States or Europe where disposal technology is sophisticated," Lee Chih-tsun, president of Formosa Plastics, said in Taipei.

Mr. Lee said his company had been approaching the United States and European countries about taking the waste, but no location had been finalized because of the New Year's holiday.

Mr. Lee asked the Cambodian authorities to give the company more time to ship out the waste. (Reuters)

Christian Hall Burned in India

AHMEDABAD, India — A crowd set a Pentecostal prayer hall on fire in a tribal area of India's western state of Gujarat in the latest anti-Christian attack, the police said Sunday.

"We have received complaints of a prayer hall being set on fire by nearly 60 to 70 youths around midnight" Friday, the state's Additional Director-General of Police, Satyabrata Banerjee, said. The attackers first broke furniture in the prayer hall in the village of Hampat and then set it on fire, he said, adding that no one was injured.

The burning was in part of the predominantly tribal district of Dang, where crowds have attacked priests and nuns and burned churches and missionary schools in at least 11 incidents since Christmas. (Reuters)

Taiwan Opposition Seeks Calm

TAIPEI — In an unprecedented televised debate, leading opposition politicians assured the public Sunday that their party would not bring the island to the brink of war with Beijing over its controversial call for independence from China.

The four participants were divided over whether the party's platform should be amended, but they agreed the Democratic Progressive Party must try to ease public worries that it is heading toward military confrontation with China. (AP)

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INTERNATIONAL

Gulf Tally: No Clear U.S. Plan to Defeat Saddam, and Arms Buildup Goes On

By Tim Weiner
New York Times Service

WASHINGTON — Nearly eight years after the 1991 Gulf War started, Saddam Hussein is still shooting at U.S. pilots and the United States still has no clear strategy for defeating him.

Starving Iraq has not subverted Mr. Saddam. Striking at his army and his spies with cruise missiles has not toppled him. Sanctions have slowed but never stopped his drive to build nuclear, biological and chemical weapons.

As ordinary Iraqis scrounge for food and medicine, Mr. Saddam is scouring the world for tools to build new weapons. He may be as close to building a nuclear weapon — perhaps closer — than he was in 1991, U.S. experts say.

Now, with the UN weapons inspectors gone from Iraq and unlikely to return, he is free to build biological and

chemical weapons without the world looking over his shoulder. The UN inspectors say he can rebuild his biological and chemical programs by June. His army, while bedraggled, stands. But the global coalition arrayed against him in the Gulf War has been badly frayed.

The United States and Britain are its only steadfast members.

NEWS ANALYSIS The United States lacks any coherent plan beyond its policy of "containment-plus" — keeping the threat Mr. Saddam poses confined within Iraq's borders, while trying to organize the hopelessly dismayed Iraqi opposition. Few in the administration have hopes that U.S. support can build an Iraqi force capable of attacking Baghdad. It is increasingly clear that nothing short of a coup, an all-out war or a popular uprising will end the Iraqi regime.

Some Clinton administration officials, all of them speaking on the condition of anonymity, are now taking a very long view on Iraq, and suggesting that patience is a strategy in itself. "Containment doesn't bring about a decisive resolution quickly," a White House official said. "It's unsatisfying and ungratifying by its nature. But 40 years of containing the Soviets in the Cold War paid off. You've got to be patient."

But as time passes, Mr. Saddam, freed of UN weapons inspectors, can concentrate on building weapons to blackmail, terrorize or even attack his neighbors or U.S. forces in the Gulf, private analysts and some U.S. officials say.

The Pentagon's initial damage assessments after the four-day bombing campaign it called Operation Desert Fox, in which more than \$400 million in

cruise missiles fell on Iraqi targets, suggest that Iraq's goal of building missiles to deliver weapons of mass destruction may have been set back by a year.

But they do not show any damage to factories that can produce the ingredients and components for those weapons. Iraq began emptying many of those buildings well before the missiles started falling, U.S. military officials said.

"Many of the buildings hit seem to have marginal value," said Anthony Cordesman, a military analyst at the Center for Strategic and International Studies in Washington. He said the initial assertions of significant damage inflicted on Iraq appeared to be "an awkward combination of propaganda and complete rubbish."

Other analysts say Mr. Saddam's pursuit of a nuclear bomb was not slowed by the attack.

"He is closer now to building a nu-

clear weapon than he was in January 1991," the month the Gulf War began, said David Albright, president of the Institute for Science and International Security in Washington.

Mr. Albright, who served as a nuclear weapons inspector in Iraq, is now working with a scientist who defected from Iraq's nuclear-weapons program, Khidhir Hamza. They say they believe that Iraq could build a nuclear bomb within two or three years — or two or three months, if Iraqi spies can obtain highly enriched uranium from Russia.

"With less fear of getting caught, Saddam has more incentive to pursue a bomb," Mr. Albright said. "He knows Russian machine tools, technology, and people can be obtained. I'm increasingly pessimistic."

Without inspectors, I don't see how we can get warning in time to stop Iraq from building a bomb. Our eyes and ears

are so much reduced, it might take a year or two to detect a nuclear program. The clock is ticking.

Senator Sam Brownback, Republican of Kansas, said there still was no coherent U.S. plan to deal with the Iraqi regime. "I was hoping we were in the process of developing a foreign policy toward Iraq," he said. "It's still very much a work in progress."

"We've got to put a comprehensive plan together and part of that is building up a legitimate government in exile," he said. "We've got to force them to meet, to gather, to come up with something. Other countries in the region would rather we go in and find an Iraqi general. But each country has its favorite candidate."

No one has found that Iraqi general. So U.S. policymakers are praying for a spontaneous revolt within the Iraqi Army to rid the world of Mr. Saddam. The hope was best expressed last week by General Anthony Zinni, commander of U.S. forces in the Gulf.

"I think he has growing internal problems," General Zinni said in an interview. "I couldn't right now measure that. We don't have enough insight. But we just see signs that's beginning to fray more and more."

There is no known evidence that any revolt is brewing. In the past, Mr. Saddam has successfully crushed internal dissent by killing or jailing his opponents. "He's always had an iron grip," General Zinni said.

U.S. military, political and diplomatic force has battered Iraqi citizens, with whom the United States says it has no quarrel. They are still suffering the consequences of the Gulf War and its harsh aftermath.

But there is little evidence that the latest attack punished Mr. Saddam in any way that could change his behavior or alter Iraqi politics. On the contrary, Mr. Cordesman said, he now "has shown the Iraqis, the Gulf and the world that he can survive another U.S. attack."

Now that Iraq can go on building weapons in secret, and can rebuild what it lost, perhaps Mr. Saddam's boasts about having won this latest confrontation are not altogether empty.

Saddam Vows Continued Resistance

Reuters

BAGHDAD — President Saddam Hussein denounced Western-imposed no-flight zones over northern and southern Iraq as illegal and said his people would resist them with "bravery and courage," the official Iraqi press agency, INA, said Sunday.

It said Mr. Saddam, maintaining Iraq's recent strong challenge to the no-flight zones, told a cabinet meeting they were "flagrant and clear-cut violations of international laws, accords and norms, particularly the United Nations charter."

The news agency did not say when the cabinet meeting took place.

Senior Iraqi officials have said Baghdad will continue to defy the exclusion zones and an Iraqi government newspaper predicted Sunday that confrontation with Washington and London would escalate after a pause for the New Year.

It was Mr. Saddam's first public comment on clashes between Iraqi air defense units and warplanes patrolling the exclusion zones, which were set up by Western forces after the 1991 Gulf War to limit his military power in northern Kurdish and southern Shiite regions.

The southern zone now covers the southern third of Iraq, reaching the 33d parallel, and extends to the outskirts of Baghdad. The northern zone covers the area of Iraq above the 36th parallel.

Iraq has repeatedly challenged the no-flight zones since the end of a four-day campaign of air strikes carried out by U.S. and British forces two weeks ago.

The strikes were launched after UN inspectors charged with monitoring Iraq's elimination of weapons of mass destruction reported that Baghdad was not cooperating fully with their work.

Mr. Saddam also criticized Arab nations for delaying until Jan. 24 a proposed summit meeting to discuss the U.S.-British attacks on Iraq, saying the delay was aimed at reducing the sense of urgency in dealing with the air strikes.

The agency quoted Mr. Saddam as saying that the purpose of delaying the meeting was to drown the issue of the U.S.-British attacks in a long list of other issues "so it would no longer be the single issue as it would have been if the summit were held while the enemy rockets were falling on the Iraqi people."

■ U.S. Seeks Credible Alternative

Barbara Crossette of The New York Times reported earlier from the United Nations.

U.S. officials are casting their nets wide to find a credible opposition leader or perhaps a figurehead who might lead Iraq after Mr. Saddam, meeting even with a man who would be king.

During the recent U.S. and British bombing of Iraq, State Department and Pentagon officials met with Sharif Ali ibn Hussein, the 42-year-old heir to the throne of a modern Iraqi monarchy that ended 40 years ago.

Mr. Ali, who leads the Constitutional Monarchy Movement, survived a revolution in 1958 that toppled his cousin, the last king, Faisal II.

The king was killed, along with the crown prince, Abdullah. Mr. Ali, then only 2, was taken out of Iraq by his parents.

Mr. Ali's grandfather, the emir of Mecca, was the uncle of Iraq's first modern king, Faisal I, who had been

handed the throne of Iraq by the British in 1921.

Mr. Ali, whose family went to Lebanon from Iraq and who now lives in London, commands only a small movement, other Iraqi exiles say. But he thinks nonetheless that the idea of a constitutional monarchy still has resonance in Iraq.

"The Iraqi monarchy would be a symbol around which all parts of Iraq would be able to rally because we're not based on any single constituency, nor are we a political party," Mr. Ali said in an interview. "What we look forward to is establishing democratic institutions that would guarantee that all players in politics would be able to participate as they wish."

Mr. Ali has produced a plan for a future Iraq that he calls a National Covenant. It would restore an Islamic monarchy pledged to protect the human rights of followers of all religions and create a free-market economic system, a multiparty democracy and an independent judiciary.



An Iraqi teacher, left, coaching a boy during an anti-American rally by about 5,000 schoolchildren in central Baghdad. Iraq vowed Sunday to continue challenging U.S. and British patrols of in the no-flight zones.

U.S. Emissions Bill Puts Industry and Environmentalists on Same Side

By John H. Cushman Jr.
New York Times Service

WASHINGTON — Even as a proposed treaty on global warming faces an uncertain future in the Senate, big companies are maneuvering to push through legislation giving them valuable credits for early actions to control the waste gases that the binding treaty would strictly limit.

The proposed treaty, negotiated in Kyoto, Japan, and signed by the administration of President Bill Clinton last year, requires steep reductions in the industrial countries' emissions of heat-trapping greenhouse gases.

If the Senate eventually approves it despite widespread opposition from major industries, companies want to be sure they get credit for any reductions they achieve before the treaty takes force in 2008.

The legislation would mark a significant shift in the debate in the Senate over climate change, potentially moderating the opposition to the treaty

among big industry groups and linking their financial interests to the goals of treaty supporters.

And if it succeeded, it could revive the long-standing efforts of the Clinton administration to persuade industries to cut their emissions voluntarily. So far, those efforts have met with mixed success.

This is a potential winner for Eileen Claassen, executive director of the Pew Center on Global Climate Change and a former treaty negotiator for the administration. "It helps get the United States moving. It is voluntary. It is supported by industry."

For some companies, credits earned now could be applied against strict limits they would face later. Companies able to make even deeper cuts in emissions now could sell their surplus credits for billions of dollars under an emissions trading system that the Clinton administration wants to set up.

With so much at stake, big companies, joined by influential environmental groups and policy analysts, are lob-

bying hard for Congress to guarantee credits for early action.

Three senators, led by John Chafee of Rhode Island, the leading Republican environmentalist in the Senate, introduced legislation late in the last session that would assure the companies that their early reductions would earn credits. The bill is sponsored by Sen. Joseph Lieberman, Democrat of Connecticut, and Connie Mack, Republican of Florida.

In a speech last month to the National Association of Manufacturers, Mr. Chafee, chairman of the Senate Committee on Environment and Public Works, said he would make the bill a priority as soon as Congress reconvened. "The good guys who take action now will be rewarded by having these actions count," he told the group, which has opposed the Kyoto treaty.

The legislation could provide a windfall for companies that have recorded reductions in greenhouse gas emissions

since 1991, a period when overall annual emissions in the United States ballooned by more than 10 percent.

As drafted, it gives ton-for-ton credits to any of the more than 150 companies that can document reductions in their greenhouse gas emissions under various voluntary federal programs.

DuPont is one example. The biggest chemical producer in the United States, it has plans that will cut its emissions of greenhouse gases far more and much faster than the treaty would require.

Company officials said DuPont would cut its annual greenhouse gas emissions to much less than half of 1991's levels by the year 2000. Under the treaty, the United States as a whole would have to cut its emissions by about 7 percent from the 1990 level by 2012.

"If you did not recognize our voluntary work, you would punish us for stepping out in front," said Darwin Wilka, director of safety, health and the environment for DuPont. "And the laggards who did not step up to the plate would be rewarded."

DuPont says that by the end of this year it will have reduced its annual emissions by the equivalent of 90 million tons of carbon dioxide. Economists' estimates of the value of carbon credits in an emissions trading scheme vary widely, but depending on the crediting rules, DuPont's savings could someday be worth billions of dollars.

Some big environmental groups, like the Environmental Defense Fund, which favors emissions trading and other market-based pollution controls, have published detailed proposals for granting credits to companies that act early and have advised lawmakers on drafting legislation. But some environmentalists have criticized the legislation proposed by the three senators.

John Stanton, legislative director for the National Environmental Trust, a pro-treaty advocacy group, said the bill "does not provide sufficient guarantees that emission reductions credited under it will actually result from reduced emissions, as opposed to phantom paper reductions."

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EUROPE

Schroeder Demands Reform of EU Budget

If Not, Enlargement of Bloc 'Will Be Delayed'

BONN — Chancellor Gerhard Schröder of Germany warned his European Union partners over the weekend that failure to reform EU finances during Bonn's six-month presidency of the bloc would force a delay in its enlargement.

Mr. Schröder, in his first public comments since taking charge of EU affairs, also said a deal on EU finances must include a clear cut in Bonn's hefty EU budget contributions.

"Enlargement will be delayed" if we fail to "reorder financial relations" during the German presidency, he told Der Spiegel magazine in an interview released before publication Monday.

Mr. Schröder has adopted a hard line on cutting Germany's EU budget contribution of 22 billion Deutsche marks (\$13.22 billion), a legacy of what he has called the "checkbook diplomacy" of Helmut Kohl, his predecessor.

"We demand more fairness for net contributors — not just for the Germans," he said. "In the past, compromises were often reached because the Germans paid for them. This policy has come to an end."

Just a few days into Bonn's EU presidency, Mr. Schröder came under fire both at home and abroad for his bid to cast off Germany's role as Europe's paymaster.

Wolfgang Schäuble, the conservative opposition leader, has rallied against what he termed Mr. Schröder's bluster and arrogance, accusing the German leader of gambling away the confidence built up by Mr. Kohl over 16 years in power.

Meanwhile, Bavaria's conservative state premier, Edmund Stoiber, long an advocate of lower German EU budget payments, accused Mr. Schröder of not being tough enough. Mr. Stoiber said threatening to hold up EU enlargement would not exert enough pressure for Germany to win the argument.

"He can block all programs," Mr. Stoiber told Focus news magazine. "He should resort to those tactics to make clear to the others how serious we are."

Mr. Schäuble also criticized Finance Minister Oskar Lafontaine, saying his decision to stay away from a key ministerial meeting, in Brussels on New Year's Eve, to determine the value of the new euro currency was a disgrace.

"That was the worst possible start to the German EU presidency," he said to the newspaper Welt am Sonntag.

Mr. Schröder came under fire from abroad, too, with Italian newspapers seizing on his interview with Der

Spiegel to accuse Germany of throwing its weight around in Europe.

"Germany Dictates Its Rules to Europe" was the headline in Il Giornale of Milan.

Germany's opposition, still licking its wounds after being thrashed in last September's general election, was also starting to show signs of life ahead of a busy political week.

Mr. Schäuble's Christian Democrats, Mr. Stoiber's Christian Social Union and the liberal Free Democrats will all hold meetings to explore strategies against Mr. Schröder's often accident-prone government.

Mr. Stoiber and Mr. Schäuble said they would launch a petition campaign against the government's plans to reform Germany's blood-based nationality law to allow dual citizenship.

Rolf Liebermann, Composer Who Revived Paris Opera, Dies

PARIS — Rolf Liebermann, 88, the Swiss composer who led the Hamburg Opera for more than a decade and revived the moribund Paris Opera, sparking renewed public interest in the lyric arts in France, died here Saturday.

The cause of death was not made public.

Mr. Liebermann spent 13 years at the head of the Hamburg Opera, from 1959 to 1972, before joining the Paris Opera as chief administrator at a time when it was being abandoned by the public and by stars.

The Liebermann years, from 1973 to 1980, "were those of revival, reform and a period of great splendor," said Hugues Gall, the director of the Paris Opera.

At the time, the question was: Would the state "continue to subsidize an institution that had lost all confidence of the public and professionals alike," Mr. Gall said. He credited Mr. Liebermann with a "choreographic and lyric renaissance" at the Paris Opera.

Born Sept. 14, 1910, in Zurich, Mr. Liebermann wrote numerous concertos, symphonies and operas, including "Eleonore 40/45," "Penelope," "L'Ecole des Femmes" and "La Forest."

His style extended from 12-tone music to jazz and was freely experimental. In Hamburg, he extended the repertoire



A child in Frankfurt waving a flag sporting a symbol of the euro at a ceremony in the banking district.

to include many 20th-century works and commissioned several new ones.

Taking on the revival of the Paris Opera, Mr. Liebermann brought in some of the world's great conductors, including Karl Böhm, Pierre Boulez, Lorin Maazel and Georg Solti. He even tapped the film and theater worlds, bringing in directors like Joseph Losey.

Mr. Liebermann, said President Jacques Chirac, paying homage to a man who was a personal acquaintance, was able to "return to the Paris Opera all of its brilliance, its prestige and its culture."

Prime Minister Lionel Jospin noted that by rekindling public interest in the opera, Mr. Liebermann planted the seeds for the Bastille Opera, the ultramodern house opened in 1989 with the aim of bringing opera to the people.

Mr. Gall, who now presides over the Bastille and the original Garnier houses, said that Mr. Liebermann transcended his task of renewing opera in France.

"The way of envisaging lyric music and opera in this second half of the century would not have been the same without him," Mr. Gall said.

George Beaumont, 73, a media consultant who co-managed his Paris advertising agency, Liger Beaumont & Aljanvic, from 1961 to 1972, died Dec. 24 in Apt, France. (IHT)

BRIEFLY

French Road Deaths Surge

PARIS — At least 50 people died in New Year's Day road accidents in France, more than double the annual toll in the previous two years, the national travel information center reports.

"Jan. 1 presented an especially dramatic picture," the center said Saturday. "The majority of the victims were under 25 years old."

About 20 people were killed in accidents on New Year's Day 1997 and 1998.

Weather conditions across France on Friday were reasonable, and the travel center gave no reasons for the sudden surge in fatal accidents. (Reuters)

U.K. Group to Try to Stop Euro

LONDON — Lord David Owen, a former foreign secretary of Britain, announced the formation of a research organization Sunday to stop Britain from signing up to a single European currency, giving a boost to campaigners against the euro.

Lord Owen, a longtime supporter of Europe but an opponent of the single currency, which came into existence Friday, told Sky Television the organization would not become involved in the political debate surrounding the euro.

"All I'm trying to do is to get a group of people to look objectively at these things and to raise questions and to challenge people before they make a decision, which they could seriously regret," he said.

Prime Minister Tony Blair, who is in favor in principle of European monetary and economic union, has promised there will be a referendum before a decision is made on joining the single currency. (Reuters)

Audit Costs Anger Swiss Banks

ZURICH — Some Swiss cantonal banks, angered by the high costs of audits being conducted by an independent commission set up to determine the value of dormant Holocaust-era accounts, have stopped paying for them, a newspaper reported Sunday.

The Sonntags Zeitung said some of the cantonal, or regional state banks, have complained that the cost of the audit by foreign auditing firms had no relationship to the results of their work.

The independent commission has been auditing the Swiss banks for more than two years. Sources close to the commission have estimated that some \$100 million would probably be found. (Reuters)

Sicily Massacre Tied to Mafia

ROME — Investigators said Sunday that the worst Mafia-style massacre in Italy in eight years was probably related to a clash among crime clans for control of drug trafficking in Sicily.

They said they feared the shootings in Sicily on Saturday night could signal the start of a new war among crime clans in the southeast of the island after a period of relative peace.

Five men in their 20s and 30s were mowed down in a hail of gunfire by two men who burst into a bar of a gasoline station on Saturday night. (Reuters)

Basque Leader Is Sworn In

GUERNICA, Spain — Juan Jose Ibarretxe, the new leader of the Basque regional government, who was voted to the post with the help of deputies linked to the armed separatist organization the Basque Homeland and Liberty, or ETA, was sworn in Saturday. (AP)

LANGUAGE

Don't Just Do Something, Stand There

By William Safire

WASHINGTON — It's relatively easy to find a label for a policy that involves the promise of action. Both "Fifty-Four Forty or Fight!" and the more temperate "Speak Softly and Carry a Big Stick" carried messages of stern forewarning. Policy slogans beginning with *Remember*, with their pledges of vengeance, had a good run in wartime, with the outrages to be recalled ranging from the Alamo to the Maine to Pearl Harbor.

More recently, *containment* was George Kennan's somewhat more sobered contribution to Cold War foreign-policy nomenclature, followed by the Clinton administration's *engagement*. These offered a sense of quiet but resolute policy action.

What do you label a policy that does not appeal to jingoism, adventurism, interventionism — or, indeed, commit you to any reaction whatever? Many statesmen find much in a philosophy that eschews escalation, arguing instead, "Don't just do something — stand there."

That was the challenge that faced Strobe Talbott, deputy secretary of state, as he sought a catchphrase to define the Clinton administration's foreign policy in a multipolar but unisuperpower world.

As a former correspondent and columnist for Time magazine, Talbott knew that a diplomatic word or phrase had to be conceived in quietude, preferably before an academic audience, and then be allowed to develop slowly over the months.

Any more pretensions, veiling, or capitalization, would alert the legion of carping critics to strangle the label in its crib.

On Sept. 19, 1997, he offered his conception to Stanford University: "We need to make sure we have a policy toward Russia that contains an indispensable feature: *strategic patience*. That means a policy not just for coping with the issue or the crisis of the moment or the week or even of the season, or for getting through the next summit meeting; rather it means a policy for the next century."

Few combinations of words are now wholly original. *Strategic patience* had been used two weeks earlier by a corporate executive, Jim Maxmin, in an article for Industry Week; a year before that, in "The Good Guys," a book by Jules

Bonavolonta and Brian Duffy, the phrase was used to describe the FBI plan to infiltrate major Mafia families to conduct long-term investigations. Earlier hits can be made in data bases covering fields from music to the military.

But after Talbott slipped his diplomatic usage into the bulrushes, the Senate's authority on foreign affairs, Richard Lugar, picked it up in a January 1998 Harvard speech. "American policy toward Russia must contain a healthy dose of *strategic patience*," he said, accepting the Talbott definition, but adding that it was today "particularly susceptible to Russian nonperformance."

By November, the conceiver was ready to incubate the phrase in a speech subtitle. In "Gogol's Trolka: The Case for Strategic Patience in a Time of Troubles," Talbott — whose enthusiastic support of Boris Yeltsin has been tempered by disappointment — returned to Stanford to say, "The policy that flows from realism is one of *strategic patience* and persistence."

Let he be accused of departing from previous policy, he added. "That means *continuing engagement*." After he reworked his thoughtful speech for The Economist, his phrase was picked up by his former colleagues at Time.

Because White House speech writers have chosen no Clinton Doctrine or catch phrase of their own and are not really married to *engagement*, Talbott's personal, long-suffering, tactical patience has paid off: His phrase is in play.

ON WHAT linguistic structure is this coinage based? (As Henry Kissinger once shouted at a football referee who had just made an egregious interference call against a Redskins cornerback, "On vot theory?")

The use of an active modifier to qualify a noun that justifies not rushing into action has a grand history in diplomatic rhetoric. President Grover Cleveland, criticizing the seizure of Hawaii by the United States in 1893, wrote, "There seemed to arise... the precise opportunity for which he was watchfully waiting."

Twenty years later, President Woodrow Wilson picked up that alliterative phrase and, refusing to be drawn into a war with Mexico, elevated it to policy status: "We shall

not, I believe, be obliged to alter our policy of watchful waiting." The stern watchful gave a monitoring, almost monetary, cast to the feeble waiting.

This built on the tradition begun in 1791 by Sir James Mackintosh, a historian and member of Parliament, in "Vindiciae Gallicae," a response to Edmund Burke's criticism of the French Revolution. "The Commons, faithful to their system," wrote Mackintosh, "remained in a wise and masterly inactivity." That phrase resounded among all who wanted to do little or nothing, and was soon followed by his equally stirring "disciplined inaction."

No ringing refutations or decisive slogans have yet met Talbott's sophisticated essay into the field of semi-oxymoronic phrase making.

We will just have to let the dust settle.

But those sensitive to the technique soon noted another, similar construction that offered a corollary to *strategic patience*. A White House spokesman seemed to substitute *caution* for *impeachment* using a highly active adverb to give backbone to a passive participle: "Officials publicly indicated more interest than before," reported The Washington Post, "saying they were *aggressively listening*."

"We've made a *compulsive*, a *compelling* case," opined Henry Hyde, House Judiciary chairman. Which did he mean?

Both words are rooted in the Latin *petere*, "to drive." *Compel* is "to drive forward," *propel* is "to drive forward," and *propel* is "to drive forward." Although *compelling* and *compulsive* are usually taken to be synonyms, the meanings of the two adjectives are differentiatingly useful.

Compulsive, which still means "having the power to compel," is being overtaken by its secondary meaning, "under the psychological coercion of obsession." One of these days, psychiatrists will adopt the verb *compulse*.

Meanwhile, *compelling* (though its root of *compel* still means "to force" or "to urge irresistibly") is more often being used to mean "driving to a conclusion or action by cogent argument."

Hyde meant *compelling*, I hope.

New York Times Service

BOOKS

MARILYN MONROE

By Barbara Leaming

464 pages. \$27.50. Crown.

Reviewed by Michiko Kakutani

DURING her short lifetime, Marilyn Monroe was hailed, in Groucho Marx's words, as "Mac West, Theda Bara and Bo-Peep all rolled into one." She was "a phenomenon of nature," Nunnally Johnson declared, "like Niagara Falls and the Grand Canyon."

In the three and a half decades since her death, that legend has been burnished, deconstructed, transmogrified and commodified. Her life has not only generated the usual biographies and pop tributes, but also spawned novels, plays, songs, movies, academic papers, gender studies and at least one opera.

Barbara Leaming's uneven new biography attempts to strip away the accretions of myth that have grown up around the actress to give us a portrait of Monroe the woman: a deeply troubled and unstable individual, who never managed to overcome the sense of abandonment she experienced as a child growing up in a succession of foster homes.

The Monroe who emerges from this volume is, at once, vulnerable and demanding, naive and manipulative, courageous and craven: a woman capable of putting her own career on the line to stand by her husband-to-be, Arthur Miller, during his testimony before the House Un-American Activities Committee, but also capable of cruelly disparaging his writing to others; a woman who desperately sought the respect of others yet who repeatedly sabotaged that respect through her tempestuous behavior.

Leaming — the author of biographies of Orson Welles and Katharine Hepburn — eschews the sort of controversial stands taken by such Monroe biographers as Anthony Summers who dwelled, in the best-selling "Goddess," on the mysterious circumstances of her death and her relationship with Robert Kennedy.

Leaming skirts fleetingly over Monroe's relationships with Kennedy and

his brother, President John Kennedy, and writes matter-of-factly about her suicide.

As this book tells it, the central drama in Monroe's life was her relationship with Arthur Miller. Leaming suggests that Monroe's romance with Miller represented her quest for dignity and self-esteem and her escape from a tawdry Hollywood past, while his sad, acrimonious end became a metaphor for the dissolution of her fondest dreams.

In relating this story, Leaming creates a novelistic narrative, animated by dramatic set pieces and vivid cameo portraits. But while this method makes for a highly readable story, it frequently sidesteps the standards of serious biographical research.

In her role as an omniscient narrator, Leaming displays a troubling penchant for sweeping generalizations without providing the reader with the sort of detailed footnotes that might back up such insights into the protagonist's states of mind: She writes in one chapter, for instance, that Monroe "would never feel safe in Arthur's love again," after she read entries about herself in his notebooks.

To make matters worse, "Marilyn Monroe" suffers from bouts of melodramatic romance-novel prose ("Marilyn had grown up being told that she was the embodiment of sin and evil"), what-if speculation ("And who can say what would have happened to Marilyn's relationship with Arthur Miller had she gone to Mississippi in November to shoot 'Baby Doll' with Kazan?") and editorial asides that tell the reader exactly what to think and feel.

Of Lee Strasberg, the head of the prestigious Actors Studio and Monroe's father figure and mentor, Leaming writes, "From first to last, Strasberg was chillingly mercenary." While she argues that the "fiery possessiveness" of Joe DiMaggio would "blight his relationship with Marilyn," she patronizingly adds that "his impeccable behavior following Marilyn's death" allowed him to finally recapture "some of the 'defiant serenity' he once knew on the baseball field."

BRIDGE

By Alan Truscott

four spades. West doubled and led a diamond.

East took two diamond tricks and should have played a third diamond. But South had

NORTH
♠ J 8 4
♥ A K 10 6
♦ 8 5
♣ Q 9 8

WEST
♠ K 10 2
♥ 7 7 3
♦ 8 7
♣ K 7 3

EAST (D)
♠ 7
♥ Q 8 6 4
♦ A K Q 10 2
♣ 10 2

SOUTH
♠ Q 8 5
♥ 2
♦ J 4 3
♣ A J 6 5 4

Both sides were vulnerable. The bidding:
East South West North
1 ♠ Pass 1 ♠ Pass
4 ♠ Pass 4 ♠ Pass
Pass Pass Pass Pass
West led the diamond eight.

dropped the diamond jack, and East was not sure about the location of the missing diamond. He shifted to the club 10, which proved a fatal error.

Said, as South, took full advantage of the opportunity. He won with the ace and led the spade queen, covered by the king and ace. South cashed two heart winners, throwing his remaining diamond, and ruffed a heart to reach the position shown on the right.

Said led a low club, and West searched in vain for a way out. If he took the club king, South would unblock the queen. Then the spade 10 would be trapped, whether the return was a heart, a club or a trump. After a club return, for example, South would win and lead a trump for a finesse, with a winning

club available to trap West. If West does not cover the spade queen, the play is similar. South takes the top hearts, throwing a diamond, and ruffs a heart. Again, a low club is led and West has no escape. Said's excellent play gained 12 imps, and his team was on the route to victory!

NORTH
♠ J 8 4
♥ A K 10 6
♦ 8 5
♣ Q 9 8

WEST
♠ K 10 2
♥ 7 7 3
♦ 8 7
♣ K 7 3

EAST
♠ 7
♥ Q 8 6 4
♦ A K Q 10 2
♣ 10 2

SOUTH
♠ Q 8 5
♥ 2
♦ J 4 3
♣ A J 6 5 4

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صكنا من الامم

INTERNATIONAL

UN Suspends Flights as 2d Plane Is Lost Over Angola

Compiled by Our Staff From Dispatches

LUANDA, Angola — The UN mission in Angola suspended all flights Sunday in the Huambo region of the embattled central part of the country after a transport plane was apparently shot down a week after a similar incident.

Official sources in Luanda said air operations to and from the city of Huambo, on the central plateau some 600 kilometers (360 miles) from the coastal capital, had been suspended. The downed aircraft was the second C-130 transport jet to be brought down in the area, the scene of fierce fighting between government troops and rebels from the National Union for the Total Independence of Angola, or UNITA, over eight days.

José Djaló, head of the UN observer mission in Angola, said other aircraft had been able to fly out of the city safely Saturday.

"One should draw the conclusion that it is not normal to continue shooting at the UN planes," he said.

"Yesterday," he said Sunday, "they had in Huambo four flights from the government side and nothing happened, and two from the WFP and nothing happened. The UN plane asked and got authorization, took off and got shot down." The WFP is the World Food Program.

Mr. Djaló said the downed plane had been on a routine flight and said he did not know exactly what had happened except that a missile had hit it. The UN mission in Luanda said it did not know the fate of the eight people on board, four Angolans, two Filipinos, one American and one Namibian.

Mr. Djaló said the United Nations was trying to obtain government and UNITA assistance in search-and-rescue operations.

The local state radio reported earlier that the plane had been hit by fire from Alto-Chimbum, seven kilometers from the airport, before coming down 20 kilometers away.

The UN secretary-general, Kofi Annan, said Saturday that he was "outraged" by reports of a second United Nations aircraft apparently shot down in Angola within the past week.

A week ago, another C-130 carrying UN personnel crashed after taking off from the same airport, which is in a battle zone between government forces and UNITA rebels. The crash killed four people, including a UN official, and injured 14 others, who had been on that plane were alive and were being held hostage by UNITA forces.

The UN agency in Angola said it also had received radio signals indicating there may have been survivors from the crash. (AP, Reuters)

Angola Is Afloat in Oil, But Where's the Money?

By Lynne Duke

Washington Post Service

LUANDA, Angola — Civil war has ruined Angola's economy, but the chaos wrought by conflict has been a boon for politicians and generals, providing a smokescreen for rampant corruption and mismanagement in the oil and diamond industries, financial analysts and diplomats say.

This southwest African country could well become Africa's No. 1 oil producer over the next decade, surpassing Nigeria, the current leader. And diamond deposits along the many rivers in Angola and in its ancient volcanic rock, though less lucrative on a large scale than oil, are among the highest quality and most sought-after gemstones in the world.

But as in Nigeria, which has long been one of the continent's most corrupt nations, Angola's vast wealth moves through a shadow economy.

Oil revenue simply disappears and is believed to be taken by government officials, business sources here say. And while it is common knowledge that the UNITA rebel movement has financed itself with the diamonds in its territory, diplomats and analysts say they believe that illicit deals are made by and between rebel leaders and army generals who, when dollars are not on the table, are otherwise at war.

While corruption in Angola may not approach the level of the regime of Mobutu Sese Seko, the late dictator of the former Zaire, analysts and diplomats say it has become systemic.

Based on anecdotal evidence, the official enforced dearth of budgetary data and official books that do not add up, analysts say they believe that the trend toward corruption has been set by a powerful group around President José Eduardo dos Santos. The group is called the Futungist faction, for the Futungo presidential compound along the Atlantic coast south of the capital.

"Everybody knows it," said a supporter of Mr. dos Santos's ruling party, the Popular Movement for the Liberation of Angola, or MPLA.

The party's "life-insurance scheme," which took hold gradually but became a common place, "like a virus, you could not stop it," he said.

As he described it, independence from Portugal in 1975 turned the guerrilla fighters of the MPLA into politicians who had the best of intentions but found themselves mired in bureaucratic re-



Yair Ben-Abu, 26, a security guard, being led to court in Kiryat Shmona, after his arrest for threatening the Labor Party leader, Ehud Barak. He apologized for a "slip of the tongue" and said he had not meant any harm.

Albright Reportedly Refuses to Meet With Sharon

Agence France-Presse

JERUSALEM — The U.S. secretary of state, Madeleine Albright, has rejected a request from Foreign Minister Ariel Sharon of Israel that she meet with him while he visits the United States this week, Israel Army radio reported Sunday.

The snub is a mark of the "the U.S. administration's anger" with the Israeli government over its decision to freeze the October land-for-security agreement with the Palestinians that the United States brokered, the radio said.

Mrs. Albright has also canceled visits that she had been expected to make to

Israel and the Palestinian territories to monitor compliance with the Wye accord, it said.

Mr. Sharon still plans to leave for New York on Thursday to meet with Israeli diplomats there, and he will also hold talks in the United States with Dennis Ross, the U.S. Middle East envoy, the Foreign Ministry said.

The Foreign Ministry will fly to the United States from Germany, where he is scheduled to have his first meeting with his new German counterpart, Joschka Fischer. The talks will coincide with the visit of a German envoy to the Middle East, as Germany takes up the rota-

Israelis Seize U.S. Doomsday Cultists

14 Accused of Coming to Jerusalem to Die Violently at the Millennium

By Lee Hockstader

Washington Post Service

JERUSALEM — The Israeli police detained 14 members of a cult based in Denver on Sunday, accusing them of coming to Jerusalem to plan their own violent deaths to coincide with the millennium.

The 14, who include three adult couples, two single men and six children, are said to be members of Concerned Christians, which U.S. law-enforcement officials believe is a doomsday cult bent on an apocalyptic finale in the streets of Jerusalem.

The leader of Concerned Christians, Monte Kim Miller, disappeared from Denver with about 56 of his followers in October. Relatives said the group members were headed for Jerusalem and entirely under the command of Mr. Miller.

He told a television interviewer two years ago: "Jesus Christ died on the cross and we have a duty to die. The Lord's judgment has been with the Earth for 2,000 years and now judgment is ready to begin."

The Israeli police did not make public the names of those detained Sunday, but a spokesman suggested that Mr. Miller was not among them.

"They intended to carry out extreme acts of violence in the streets of Jerusalem toward the end of 1999 with the aim of beginning a process that would bring about the second coming of Jesus," said a police spokesman who was quoted by Reuters.

U.S. authorities say that Mr. Miller sees himself as Jesus's contemporary reincarnation and believes he can channel the word of God.

Basing his fiery vision on the Bible's Book of Revelations, Mr. Miller is said to believe that he has been selected as one of the last witnesses to the imminent destruction of the planet.

He is thought to have told his followers that he expects to die a violent death on the streets of Jerusalem and, three days later, to be resurrected there.

He is also said to have told his followers that Denver was going to be destroyed last Oct. 10. Just before then, they vanished after first assuring family

members that they would stay in touch and not to worry.

Israeli police said at the time they had been alerted that members of the group might be on their way here and vowed that they would not be admitted.

A Jerusalem police spokesman, Shmuel Ben-Ruby, said that the 14 members detained on Sunday arrived in Israel "a few months ago." It is not clear how they gained entrance to the country and whether the police have been watching them since they arrived or only caught up to them Sunday.

Apparently, none of those arrested was employed in Israel and the group was living from savings or contributions.

When they were detained, the group members were living in two suburbs of Jerusalem. They did not resist the police and no weapons were found. A search of the residences was continuing.

Mr. Ben-Ruby said it was unclear whether the adults in the group would be charged with any criminal offense.

The likelihood, he said, is that all those detained will be expelled shortly to the United States.

BRIEFLY

Israeli Jets Strike In South Lebanon

BAALBEK, Lebanon — Israeli warplanes attacked suspected guerrilla positions in eastern Lebanon on Sunday, wounding six people, Lebanese security officials said.

In Jerusalem, the Israeli Army said its jets had attacked "terrorist infrastructure targets" outside populated areas, including a Hezbollah training base and a radio station.

The Lebanese officials said two air-to-surface missiles had been fired at Hezbollah's Voice of the Oppressed radio station near Baalbek, damaging its transmitter. The radio went off the air. Four missiles struck near the villages of Nabi Sheet and Janta, they said. (AP)

Congo Town Taken, Rebel Aide Claims

GOMA, Democratic Republic of the Congo — Rebels said Sunday they had captured the northern town of Zongo and were continuing their advance westward despite a growing rift within their ranks.

Sesanga Hippungu, an official of Congolese Rally for Democracy, the main rebel group, said that Zongo, on the border with the Central African Republic, had fallen Saturday. No independent confirmation was available.

A rebel delegation flew to Kampala on Saturday for talks with President Yoweri Museveni of Uganda, which supports the rebels. The official referred to a "great crisis" within the organization. (Reuters)

Fatal Avalanche Tied to Gunfire

MONTREAL — Celebratory gunfire could have triggered an avalanche on New Year's Day that killed nine people in a remote town in the province of Quebec, the police said over the weekend.

The shots rang out Friday about 90 minutes before a wall of snow smashed into a school gym packed with up to 500 revelers in the Inuit native village of Kangisujuaq.

Survivors joined rescue efforts, digging in the snow for more than 12 hours with their bare hands and rudimentary tools such as frying pans. Another 25 people suffered serious injuries. (Reuters)

For the Record

The Mexican Finance Ministry rejected accusations by the mayor of Mexico City, Cuauhtémoc Cárdenas, that Congress's approval of only a small fraction of the 1999 funding that he had sought for the capital was political revenge against his opposition party. (Reuters)



Khieu Samphan in Siهانونville during his tour of the nation with another Khmer Rouge leader, Nuon Chea.

KHMER: 2 Leaders Return to Haven

Continued from Page 1

Khmer Rouge over the past 20 years, both during and after a civil war in which the Communist guerrillas fought Mr. Hun Sen's troops from sanctuaries along the border.

Responding to tart criticism of this relationship by Mr. Hun Sen on Friday, Prime Minister Chuan Leekpai of Thailand said Sunday that Phnom Penh was trying to "pass the buck" to Bangkok and divert attention from its own difficulties regarding the handling of the Khmer Rouge leaders.

Free to Go Until Summoned by a Court

The Cambodian government denied Sunday that by allowing the two Khmer Rouge leaders to return Pailin instead of arresting them, it was letting them escape justice, Reuters reported.

A spokesman said that the government still wanted a trial but that the two were free to go because no warrant existed for their arrest.

"Everyone is presumed innocent until they are proven guilty," said a government spokesman, Khieu Samphanth. "We say they are free to go until they are summoned by a court. If the court does summon them and they don't return, then they can be in contempt of court."

Lao Mong Hay, director of the Khmer Institute of Democracy, criticized the government for allowing the two to return.

"They shouldn't have allowed them to go back," he said. "They should have arrested and detained them while waiting for the United Nations to decide on a tribunal."

KOREA: An Increasingly Bellicose North Threatens to Wipe America 'From This Planet'

Continued from Page 1

"Even if there's a one-time access to the underground site, that may mean that the temporary crisis is over, but it doesn't resolve the longer-term issue," said Han Sun Joo, who was South Korean foreign minister when the Agreed Framework was reached.

What would happen if the stalemate is not resolved, leading the United States to stop shipping oil and causing the agreement to fall apart?

"Our only option will be to go nuclear and do it publicly," said Kim Myong Chol, an influential North Korean writer and editor who lives in Tokyo and serves as an unofficial spokesman for his country. "North Korea will fabricate nuclear warheads to target Japan and America as major targets and will sell nuclear weapons to any country, to the highest bidder."

"Maybe there will be a new war," Mr. Kim said after offering wishes for the new year. "Maybe you and I will all die in Tokyo."

It may be in North Korea's interest to emphasize the risks ahead, to encourage compromise from Washington. But American diplomats also warn that a

breakdown in the Agreed Framework could lead North Koreans to revive their nuclear program.

Under the framework, North Koreans froze operations at its reactors in the city of Yongbyon and "canned" the fuel rods there to keep them safe. Stephen Bosworth, the U.S. ambassador to South Korea, said in a speech a few days ago that if the Agreed Framework fell apart, North Koreans might quickly reverse those steps.

"They could uncane and reprocess the fuel rods, producing enough plutonium in a matter of months to build several nuclear weapons," Mr. Bosworth said. "If they refueled the reactor at Yongbyon, they could have an ongoing capability to produce plutonium and build nuclear weapons."

Aside from the problem of the underground complexes, another challenge is North Korea's missile program. On Aug. 31, North Korea sent a three-stage rocket hurtling over Japan, perhaps in an attempt to launch a satellite. That meant that North Korea's missiles can now reach Tokyo and all other key cities in Japan, and possibly as far as Alaska and Hawaii.

Officials said that some satellite in-

telligence indicates that North Korea may be preparing another missile launching, perhaps by Feb. 16, the birthday of the North Korean leader, Kim Jong Il.

Another North Korean rocket soaring over Japan would be a major blow to the Agreed Framework, making Japan more reluctant than ever to help pay for nuclear reactors for North Korea.

A broader problem seems to be that American and North Korean officials are increasingly disillusioned with each other and with the prospective benefits of the Agreed Framework.

"There is a very strong frustration among a lot of people that North Korea is acting very strangely," said Kongdan Oh, a North Korea specialist at the Institute for Defense Analyses in Washington. "It's like North Korea and the U.S. are trying to dance together, and North Korea is trying to break the legs of its partner."

North Korea has been particularly vehement lately in denouncing the United States, relentlessly biting the hand that is wondering whether to feed it.

"The United States will be reduced to ashes and will no longer exist, if they

ignite the train of war," North Korea's official press agency reported last week. And recent headlines in North Korean official newspapers included "U.S. Imperialist Aggressors Will Be Unable to Avoid Annihilating Strikes" and "If U.S. Imperialists Dare to Pounce Upon Us, We Will Wipe Them Out From This Planet for Good."

Another sign of the growing militarization was the New Year's message from the North Korean government, which called on citizens to "love rifles, earnestly learn military affairs and turn the whole country into an impenetrable fortress."

A New Missile Deployed?

North Korea may have deployed a medium-range ballistic missile and has constructed several suspected launching facilities, Reuters reported Sunday from Tokyo, citing a Japanese Self-Defense Agency report that it obtained.

The report said that it was highly likely North Korea had completed development of its Rodong-1 ballistic missile, which has a range of 1,300 kilometers (800 miles), and that the Stalinist state may have already deployed some of the medium-range missiles.

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Bad Political Year

The American political year just ended was as sordid and low-achieving as any in modern memory. The president and congressional Republicans spent most of their energy disparaging each other as manipulative, disingenuous, captives of their constituencies, etc. In neither case was it a difficult proof.

The effort to impeach provided a scaffolding and vocabulary for the dispute but never was its real center. The fight was, and still is, about more than either side acknowledges.

The lying and other misconduct whose bearing on his fitness to serve Mr. Clinton continues to dismiss were not a trifling offense, nor primarily the personal offense he has suggested, against his wife or aides or cabinet. They were a violation of his inaugural oath. They bespeak a character flaw disqualifying in a person who wields the power of his office. Insofar as they weakened his ability to get his way with an opposition Congress, they were a betrayal of precisely the groups and causes in whose name he clings to power.

Too many of the House Republicans who had a chance to reach a measured judgment of this conduct likewise disappointed. They showed themselves not all, but as a group, to be small-bore politicians, all too willing to abuse the impeachment clause for transparent political purposes. They allowed themselves to be led through the ragged process by a back, the majority whip, Tom DeLay.

The president, as he was being im-

peached, deplored the "politics of personal destruction" into which he said the country had sunk. There is no shortage of such politics. The White House has itself been a practitioner. Mr. Clinton has his own supply of Dobermans on retainer and on staff. But the tarring of opponents — not all of it irrelevant or undeserved — is not the central problem that the president would make it out to be. America has now, thanks to both parties, a form of politics in which office tends to be not so much won as bought. The president supported campaign finance reform in the last Congress, but only after a re-election campaign that itself helped to make a mockery of the existing laws.

Majorities of both houses were prepared to pass a decent reform bill; the Republican leadership blocked it. It blocked much else. The politics of the last year were not just squalid; they were futile. Large undertakings, including some good bills proposed by the president, were shelved. Small ones were puffed up in an effort to make them look large. Instead, National leadership consisted of tiresome theatrics masking dirty politics producing scant results.

The most refreshing credential of some of those who have signaled an interest in running for president in the year 2000 is that they have not been in national office the last few years. That suggests the estate to which such office has fallen.

—THE WASHINGTON POST.

The UN Is Improving

Kofi Annan has brought renewed idealism and strengthened management to the United Nations since taking charge as secretary-general two years ago. He has also improved relations with Washington from the sorry level they had sunk to under his predecessor, Boutros Ghali. But the United Nations' diplomatic credibility continues to erode, especially with regard to Iraq. Most of the blame lies with a Security Council divided by Saddam Hussein's endless provocations. But Mr. Annan's own efforts at dialogue with Baghdad have complicated matters.

A good secretary-general must combine the skills of a smooth diplomat, deft organizational politician and unsentimental budget cutter. The job comes with enormous prestige but limited power. The United Nations has no army to enforce its resolutions and must pester its members to pay their dues. Mr. Annan's job has also been made harder by the breakdown of the broad consensus between Washington and Moscow that enabled the Security Council to function smoothly in the early 1990s.

His strength has been articulate advocacy of the United Nations' humanitarian and internationalist ideals. He has pressed for new programs to educate the world's poor and to ease Third World debt. He worked hard for a strong international criminal court, only to be frustrated when the Clinton administration deferred to unfounded Pentagon fears and kept America from joining.

Although he made his own career as a UN official, Mr. Annan has usefully challenged the organization's clubby and ingrown culture, bringing in fresh thinking from humanitarian organizations and business executives. He has raised the quality of top UN staff, appointing Mary Robinson as high commissioner for human rights and Jayantha Dhanapala as undersecretary-general for disarmament affairs. But he has not consistently backed his appointees against resistant bureaucrats.

The critical test of Mr. Annan's five-year tenure will be whether he helps define a constructive new relationship between the United States and the United Nations. As the world's only military superpower, Washington is capable of intervening on its own in world crises should it grow frustrated with the weakness of UN diplomacy.

Understandably, Washington would like UN decisions to mirror American policy goals. But sometimes it better serves the United States to sacrifice some immediate objectives in order to build a broader international consensus and uphold international rule of law. Mr. Annan cannot hope to persuade any country to act counter to its own interests. But it is his role to encourage Security Council members to rise above narrow national considerations and focus on compelling international threats, like Iraq's secret

production of biological and chemical weapons. The more he can do so, the more seriously Washington will take the United Nations.

Mr. Annan, with long UN experience and a deep affinity for the United States, has the background to create a strong working partnership between Washington and the United Nations, but it is still not clear whether he will succeed in doing so. Some of his efforts to avoid armed conflict with Iraq through unwarranted diplomatic concessions have justifiably irritated the Clinton administration and Congress.

He was right to fly to Baghdad last February and negotiate a deal allowing UN weapons inspectors to inspect Iraqi presidential palaces. But he followed that up by appointing his own diplomatic representative to Baghdad. Iraq exploited the arrangement to undermine the authority of the chief UN weapons inspector, Richard Butler, and heighten Security Council divisions.

Washington also remains at odds with the United Nations over the scandalous arrears of American dues and the need for continued UN cost-cutting. There has been progress on both fronts, but not enough. America's back dues remain unpaid, and Mr. Annan must cut the United Nations' bloated staff and budget more deeply.

On balance, his tenure has begun promisingly. He must learn from his mistakes on Iraq and work even harder in the next three years to create a leaner and more vital United Nations ready to meet the challenges of the new millennium.

—THE NEW YORK TIMES.

Other Comment

They Planned for Peace

One year ago, 26 nations signed at Washington the Declaration by United Nations. The world situation at that moment was grim indeed. Yet on that last New Year's Day, these Nations, bound together by the universal ideals of the Atlantic Charter, signed an act of faith that military aggression, treaty violation, and calculated savagery should be remorselessly overwhelmed by their combined might and the sacred principles of life, liberty and the pursuit of happiness be restored as cherished ideals of mankind.

The unity achieved on the battle line is being earnestly sought in the not less complex problems on a different front. In this as in no previous war men are conscious of the supreme necessity of planning what is to come after... the common effort which will have brought them victory in the war. They have come to see that the maintenance and safeguarding of peace is the most vital single necessity in the lives of each and all of us.

—From a statement by President Franklin D. Roosevelt on Jan. 1, 1943.

The Year for a Scientific Return to Humanism

By Ellen Ruppel Shell

NEWTON, Massachusetts — Making resolutions is widely and wisely eschewed by those of a more analytic bent. Still, several left-brained friends could not resist chiming in when I asked them what scientists might resolve to accomplish this year.

One, trained as an astronomer, pointed to NASA's launch of an X-ray telescope scheduled for April, which could record some of the most energetic and violent events in the universe.

A biologist whose interest lies in ancient cultures thought that researchers would resolve that the humans with squatting rights on North American soil, the so-called "first Americans," emigrated not from Asia, as was long thought, but from Europe.

A third, a physicist, hoped that the long-sought Higgs boson, the subatomic particle postulated as the originator of mass and fundamental to current atomic theory, would at last be found. Still others predicted the design of intelligent machines with quantum brains able to deal with many cognitive problems simultaneously.

But, given that anything that can be predicted with certainty has by definition already occurred, it was an executive in the biotech industry whose resolution rang truest.

The scientific resolution for the next year, he said, must be to come to terms with breakthroughs that have already happened — cloning. The procedure has highlighted a much broader problem: Our ability to do science has far

outstripped our capacity to fathom its implications.

A notion long contemplated by philosophers and writers of science fiction and social commentary, cloning has a fairly recent genesis in the scientific arena. It was not until news from Scotland almost two years ago of Dolly the sheep's arrival that the world was startled into thinking of the technique as an alternative to more standard methods of reproduction. Afterward, the cranks,

Science, for all its marvels, has left us at a moral crossroads.

notably the Chicago physicist Richard Seed, announced that they would clone humans for a fee.

Mr. Seed and his like confirmed our realization that we really did not know what to make of this stuff. The U.S. Congress responded, as it often does, with a clumsy bit of legislation banning the use of federal funding for the cloning of humans. Scientists in America, however, and some abroad, continued to work on the technical and practical reasons, humans would never be cloned.

Our sense that we were at a loss for how to respond was only heightened by

further bold advances. Last year, scientists at the University of Hawaii successfully repeated the Dolly work using a far more efficient approach than that employed by the Scots, and providing the first hard evidence that cloning could indeed be applied to humans. Then last month, scientists in Seoul claimed to fulfill that promise by creating an embryonic clone of an adult woman.

The Korean scientists halted the experiment long before the embryo resembled anything remotely human, but what is clear is that the cloning of humans is inevitable.

Many argue that human cloning is no big deal, just the systematic production of "delayed identical twins." They say the potential for this technique to do good vastly outweighs the potential for harm, citing, for example, the possibility that infertile couples, gay couples or couples at high risk of having children with genetic diseases will be able to produce healthy offspring by simply cloning themselves.

Cloning, others say, has limitless applications for the treatment of disease in its ability to create new human cells to replace damaged ones.

But, as the birth (and death) of one of the fragile Houston oocytes has surely shown, the development and refinement of ever more efficient reproductive technologies are laden with very real, unintended consequences.

What should we make of the firm based in the Bahamas that is currently advertising human cloning services

"for as low as \$200,000"? The company also offers a service it calls "insurance cloning," the sampling and storage of a loved one's cells with the purpose of cloning these cells in the event of said loved one's demise. Whether or not this company is legitimate, the picture it conjures — a Dorian Gray for the '90s — is disquieting.

Science, for all its marvels, has left us at a moral crossroads.

If we give adults the right to choose to manufacture a child in their own image, why not a dozen such children? If we allow an infertile couple to clone themselves a baby, why not a fertile couple who want to clone an existing child for spare parts — say, a kidney?

Most fundamentally, what will it mean when we can choose to create children based solely on genetic identity — the appearance, accomplishments, intellectual capacity of their genetic templates?

These are ethical questions of unimaginable complexity.

My wish for this millennial year is not for yet another scientific breakthrough but for a humanistic one. Our resolution must be to come to grips with the marvels and perils of the scientific knowledge we already possess. The box is open. The miracle will be in finding the will, if need be, to close it.

The writer, co-director of the graduate science journalism department at Boston University, contributed this comment to *The Washington Post*.

The Euro Could Be Good for Trans-Atlantic Relations

By C. Fred Bergsten

WASHINGTON — Eleven nations of Europe now embark on a breathtakingly historic venture. They launch a common currency to replace their national monies. They thus create a single, continent-wide economy very much like that of the United States.

Their initiative is hugely significant to America. The euro will both strengthen America's most important economic and security partners and eventually challenge the dollar as the world's premier financial asset.

Economic and monetary union in Europe is the culmination of 50 years of integration. The nations that unleashed the two world wars of the 20th century resolved to preclude any possibility of further conflict by irrevocably meshing their economies. They also concluded that their intense economic interdependence offered enormous potential gains from eliminating barriers to trade and other economic transactions.

Both political and economic unification required institutionalized cooperation to preclude nationalist backsliding.

Europe's unification has been history's most successful instance of sustained international cooperation. The Common Market of free trade for six nations in the late 1950s grew steadily to become the single European market of the current 15 members by the 1990s.

Britain, Sweden, Denmark and Greece do not join the euro at the outset, but the rest of the European Union now moves to

the single money: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

The adoption of a common currency is by far the boldest chapter of European integration. Money traditionally has been an integral element of national sovereignty. The countries participating in the euro give up the power to set their own interest rates and exchange rates, the two most important prices in any modern economy, and have sharply circumscribed their use of fiscal policy as well.

Germany's decision to terminate its beloved mark and France's willingness to eliminate its historic franc represent the most dramatic voluntary surrender of sovereignty in recorded history.

The European Central Bank that will manage the euro is a truly supranational institution. It is the first monetary authority without a government to oversee it. This "EuroFed" is an independent and powerful institution from now on.

THESE changes are so revolutionary that skepticism has abounded throughout the process, especially in the United States, and some still expect the euro to fail. The challenges are indeed formidable. Unemployment is high in most of Europe. Europe has no central government to channel funds from growing to stagnant

regions, as Americans have in their monetary union in the United States. Labor is not very mobile in Europe, partly because of cultural and linguistic differences.

The Europeans will have to greatly improve the flexibility of their prices, and wages to supplant the monetary, fiscal and exchange-rate instruments that the individual countries have previously used to counter disturbances to their economic growth and price stability.

But the euro has succeeded spectacularly even before its formal launch. Because of strong political support to meet the qualifying criteria, Italy, Portugal and Spain in particular have been able to achieve previously impossible cuts in their budget deficits, inflation and interest rates. Starting a bit earlier, France has attained lower inflation and interest rates than Germany. The economic convergence across Europe is unprecedented.

The skeptics also ignore Europe's overwhelming political commitment to the integration process. A politician in any European country is hard put to oppose the euro or take steps that would undermine it. Failure of the new currency, now that it has been begun, would be catastrophic for the future of the entire Continent; the process is thus likely to elicit whatever supportive steps turn out to be needed to make it work.

The euro will strengthen

Europe both economically and politically, which is good news for the United States.

Also, the euro will start to challenge the dollar as the world's lead currency as soon as the European Central Bank and the new currency establish their credibility — which will probably be quite soon.

THE dollar has reigned supreme ever since it supplanted the British pound between the two world wars, in large part because no other currency rested on an economy near its size. The initial Euro-land of 11 will be almost as large as the United States, however, and the eventual grouping of 15 (or more) will be considerably larger.

Even the start-up European group conducts more trade with the rest of the world, has larger foreign exchange reserves and enjoys a much stronger external financial position than the United States does.

This means that the euro will immediately cover as wide an economic base as the dollar, cutting transaction costs and making it attractive to foreigners as well as to Europeans.

Europeans will finance their vast trade in euros, inducing others to do so, too. The result will be a huge shift from dollars to euros by firms, investors and central banks around the world. The amounts involved could range from \$500 billion to \$1 trillion, representing by far the largest portfolio diversification in history.

The shift from dollar hegemony to a bipolar monetary world will have several implications for the United States.

During the transition period, conversions into euro assets could produce a sharp decline in the exchange rate of the dollar. (The huge U.S. trade deficit, which is likely to hit \$300 billion in 1999, will reinforce this effect.) By reducing the prices of U.S. exports, this would improve America's competitive position and reduce its trade deficit. It would also push up prices for imports, however, generating upward pressure on inflation and perhaps interest rates. If the U.S. economy remains near full employment.

For the longer run, the existence of a real rival will generate healthy competition for the United States across the world economy. The euro, however, also may make it costlier for the United States to bor-

row the huge amounts of foreign capital needed to finance its chronic external imbalances. It could even trigger a dollar crisis if Americans fail to keep their house in order.

Creation of the euro means that Europe ultimately will become a full equal of the United States, at least in economic terms. The two economic superpowers will have to learn to function as partners, to avoid disrupting each other and to exercise their joint responsibility for the world economy. New mechanisms will be needed to maintain currency stability, keep trade and investment open and sustain economic progress.

If the United States and Europe can even begin to replicate Europe's achievements in economic integration and political cooperation, trans-Atlantic relations could be the global success story of the next 50 years.

The writer is director of the Institute for International Economics and a former U.S. assistant secretary of the Treasury. He contributed this comment to *The Washington Post*.

Expect a Strong Euro

It is conceivable that the euro may prove a more popular reserve currency than the dollar. As a new currency, it has to establish its credentials as a reliable store of value, more like the Deutsche mark than the lira. This implies that its interest rate will be competitive. The euro will be run by a wholly independent European Central Bank. The founding statute requires it to run the currency with price stability as its main priority, and with very little transparency about how it does so.

As and when Britain, Sweden, Denmark and Greece, and then possibly Switzerland, formally join Euroland, the balance of economic power will shift more strongly toward the euro. It is likely that within five to 10 years, oil and commodity prices will be priced in both dollars and euros.

This should have no harmful effects on the U.S. economy, except for some loss of seigniorage — the fact that anyone who holds a foreign currency banknote is in effect making an interest-free loan to the issuing central bank. Seigniorage is reckoned to be worth \$30 billion a year to the U.S. Treasury.

—Martin Walker, in the *monthly Prospect* (London).

When McCain Almost Fainted

By Maureen Dowd

WASHINGTON — As John McCain gets ready to be sworn in as a juror in the Senate trial judging the president's sins, he must ponder how he will answer questions about his own sins, with all of America sitting as the jury.

After the Clinton trauma, will voters want to know more or less about candidates' peccadilloes? Will they care more or less about virtue in a president? Will they recoil from Republicans for perceived hypocrisies?

The 62-year-old senator from Arizona knows that he is dropping his handkerchief in to the presidential ring in a weird and virulent time.

Speaking to computer big shots recently, Mr. McCain drew an angry reaction when he said he had a problem with the president's lying under oath. "One guy yelled that he'd rather have his daughter raised by Larry Flynt than Bill Bennett," he recalls. "I almost fainted."

Back home in Phoenix after a Fiji vacation, the usually unprovoked Republican equivocated about what should happen to Bill Clinton. "One thing I don't believe in is a fine," he hedges. "It would just mean an added tax on Barbara Streisand, Tom Hanks and Steven Spielberg."

"Americans are embarrassed by all this," he continues. "They want to have somebody straightforward we can rely on not to ever wag his finger at us on any issue and say something that's not true. At the same time, they want people's private lives not to be in the public domain."

Mr. McCain has admitted that his carousing, after his

return from five and a half years of torture and solitary confinement in a Hanoi prison, broke up his first marriage.

"I think it depends how you present yourself," he says. "Are you the missionary from Somerset Maugham's play 'Rain'? Or are you the person who says, 'Look, life is full of mistakes and I've made mine and I acknowledge them?'"

How did he persuade his reluctant wife to agree to a "rain"? "It was like pulling teeth," he concedes. "I promised her she does not have to come to Iowa and New Hampshire. She's nothing along the lines of the present first lady, whom I respect and admire, but Cindy's not a lawyer or a politician. She just wants to raise her family."

He says she will address her sins. In 1989, after back surgery and during the Keating Five scandal, she became addicted to painkillers and purchased some from a medical charity she ran. "I think people will understand Cindy's situation," he says.

The senator is cherished by journalists for his quixotic fights on campaign finance reform and tobacco, his scorn for polls driven by polls or pork, and his loose tongue. He denounced Leonardo DiCaprio as "an androgynous wimp," and, speaking to conservatives, trashed Al Gore for his Buddhist fund-raising.

But many Republicans resent him because he promotes virtue without being a member of the Virtue Gang.

How will he raise the mil-

so vociferously on the evils of big money? "I'll just have to get 14,000 or 15,000 of my closest friends to give in thousand-dollar chunks," he says, adding that he would not — like Dan Quayle, Gary Bauer, Lamar Alexander, Jack Kemp and John Ashcroft — form a political action committee in Virginia, where the laws permit unlimited contributions.

How about that famed temper? "Every time I've lost my temper I've regretted it," he says. "Those times have receded in frequency."

Campaigning for Phil Gramm in 1996, Mr. McCain learned, "Don't spend all your money early." Then, campaigning for Bob Dole, he learned that being a hero is not enough. "You've got to be able to transmit a message you truly believe in." From George Bush's 1992 run he learned that it was folly to underestimate your opponent.

The current boomer infatuation with war heroes and sports heroes might give him a boost, even though he modestly refuses to acknowledge the honors. "No, God, no," he says. "It doesn't take any talent to get shot down."

What did he take away from those long years in that dank cell in Hanoi that would help him as president?

"You have to try to do the things you know you should do," he says. "Personally and politically, I have not always done the right thing. But I have tried to do the right thing."

Oh, Senator, I ask, one final question: Boxes or briefs? "None of your business," he says. "None of your business. It was music to my ears."

The New York Times.

Herald Tribune

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الاصحاح الاول

Thank you to all our readers, new and old.

(For a 10% circulation increase in 1998)*

As we begin the new year, the International Herald Tribune would like to offer a special "Thank You" to both its old and its new readers for making 1998 a record circulation year — a year in which readership neared 650,000[†] per day in 184 countries.

1998 was an eventful year. The financial crisis continued in Asia, the economy in Russia and Latin America turned downward, and the Euro took effect in Europe. There were heightened crises in Iraq, and the Middle East, sweeping leadership changes in Europe and Asia, the World Cup, the Winter Olympics and President Clinton's turmoil and ultimate impeachment proceedings. The newspaper strives to report these issues objectively and to provide the context and insight that illuminate their relevance to the professional and personal lives of our readers.

For the third consecutive year, the newspaper's circulation has increased. Once again, we thank our loyal readers and warmly welcome our new readers on board. As a new year unfolds, and very soon a new millennium, we hope that you'll continue to read and enjoy the World's Daily Newspaper.

Happy New Year to all.

From the entire staff of the International Herald Tribune.



*January-September 1998 OJD submission.
†1998 Reader Survey.

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PAGE 11

Sporty Thunderbird Roars Back Ford, Reviving a Classic, Says It'll Be on Sale in 18 Months

Compiled by Our Staff From Dispatches

DETROIT — Ford Motor Co., hoping to become the automobile industry's design leader in the new century, is turning to its most celebrated product of the 1950s for help.

The world's second-largest automaker unveiled its Thunderbird concept car Sunday at the North American International Auto Show in Detroit.

The reborn Thunderbird, which replaces the bland, overgrown version abandoned in 1977, should be on sale in about 18 months for less than \$33,000, Ford said.

"The new concept car is an indication of where we're headed with the Thunderbird when it goes back into production for the new millennium," said Jacques Nasser, chief executive.

The new version of the classic coupe takes its design cues from early versions, including the memorable port-hole windows. Rounded headlights, the distinctive oval grille and a generous wrap-around windshield make a direct link to the roadster that became an American

automotive and popular culture icon.

But Ford insisted that the new car was more than an exercise in nostalgia, saying it symbolized a new emphasis in design that would help the company lure buyers — especially affluent, demanding ones — from competitors.

"All consumer-goods industries are providing people with more choice," said Chris Codergera of the California-based consultancy Nextrend.

In 1997, 21 percent of new-vehicle buyers made more than \$100,000 annually, compared with 13 percent in 1990, he said. With this rising affluence comes an increased tendency to view cars as personal statements rather than basic transportation, he said.

The Thunderbird, Ford's most striking design in at least a decade, bears the imprint of J.C. Mays, who in 1997 became the first design chief hired from outside the company in four decades. Mr. Mays succeeded Jack Telnack, who retired. Mr. Telnack was responsible for Ford's previous styling breakthrough, the 1986 Taurus.

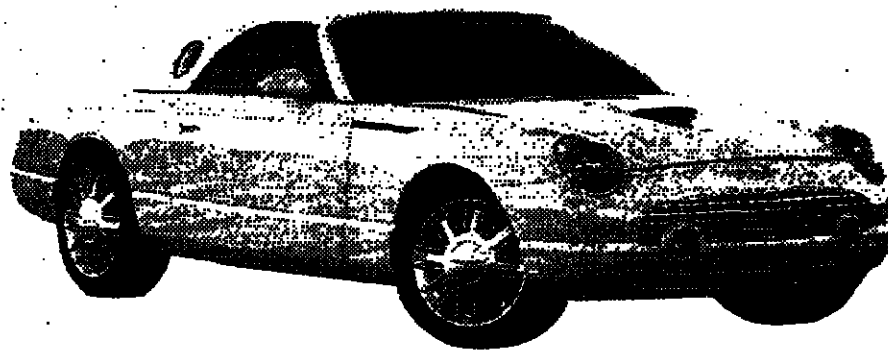
Mr. Mays, whose design credits in-

clude 14 years at Bayerische Motoren Werke AG, Audi AG and Volkswagen AG — which turned his Concept One, an experimental 1994 show car, into the hot-selling New Beetle — said the new Thunderbird was "the tip of the iceberg" of the style innovations Ford would make in the next decade.

Introduced in 1954 as a 1955 model with a base sticker price of \$2,695, the Thunderbird became an instant hit. More than 3,500 orders were placed in its first 10 days on the market.

The sporty coupe soon became a symbol of a youthful America in the 1950s and 1960s. It was featured in the Beach Boys hit song "Fun, Fun, Fun" and in the movie "American Graffiti."

But the Thunderbird got bigger through the 1960s and '70s and moved away from its original design. Sales continued to dwindle into the 1990s as the market for two-door cars fell and



The Thunderbird concept car was unveiled Sunday at the Detroit auto show.

demand for sport-utility vehicles rose. Ford discontinued the car after total sales of more than 4 million.

When designing the modern Thunderbird and Beetle, Mr. Mays said, he sought to re-create the emotional appeal of their predecessors but not simply to copy them.

The car displayed here is a two-seater with a removable hardtop, like the original. A single, crisp line runs from rounded headlights to taillights, hinting at the fins sported by 1962 Thunderbirds.

But the new version shows its mod-

ern side with polished aluminum trim and an all-leather interior. Instrument panel gauges are white with turquoise dials.

Ford expects to sell about 30,000 Thunderbirds a year, or fewer than half as many as it sold of the discontinued version. But unlike its predecessor, the new Thunderbird will share powertrain and chassis components with other company models, including Fords, Jaguars and Lincolns, allowing the automaker to include a modern, powerful, all-aluminum 3.9-liter V-8 engine.

(Bloomberg, Reuters)

Malaysia Acts To Help Small Stockholders

Agence France-Presse

KUALA LUMPUR — Malaysia's Securities Commission said Sunday it had moved ahead with reform of its financial sector by approving a new regulatory framework for corporate mergers and new capital-adequacy requirements for stockbrokers.

The new takeover and merger code, replacing one enacted in 1987, is aimed at offering better protection for minority shareholders as well as greater transparency, the commission said.

"The new code seeks to ensure that minority shareholders are given a fair opportunity to consider the merits and demerits of an offer and to enable them to decide whether they should retain or dispose of their shares," the commission said.

Malaysia shocked world financial markets late last summer by imposing stringent curbs on transfers of capital into and out of the country.

The moves were intended to reduce Malaysia's potential exposure to economic and currency turmoil elsewhere in the region.

The new law, which took effect Friday, contains provisions to ensure "higher standards of disclosure and corporate behavior and greater professionalism from all involved in mergers and acquisitions," the commission's chairman, Mohamad Munir Majid, said.

In a separate statement, the commission said it had approved new regulations for stockbrokers to "refine the prudential benchmark" for capital adequacy.

It said these would enable both the brokers and the Kuala Lumpur Stock Exchange to "identify more clearly the capital available to cover the risks of running a securities business."

The commission said the new requirements represented progress in revising the rules governing Malaysia's capital markets in line with global standards.

"The new risk-based capital-adequacy framework, in line with current international approaches, works on the premise that stockbroking companies exposed to greater risk need more capital," it said.

Several Malaysian brokerages were closed last year, hit by the country's first recession in 13 years. Its economy is expected to shrink at least 6 percent for 1998, but the government forecasts a rebound, with growth of 1 percent this year.

CYBERSCAPE

Software Industry Sees Profit From Code-Sharing

By Amy Harmon
New York Times Service

NEW YORK — The sears of 1997 had the computing trends of 1998 pretty much nailed down — the Justice Department's antitrust challenge to Microsoft Corp., panic over the year 2000 bug and Wall Street's infatuation with Internet stocks.

Unforeseen, however, was one of the year's most striking developments: the popularity of what has been called open-source software — probably because it had long been regarded by the industry's most powerful players as more of a political ideology than a way to make money.

Open-source software provides every computer user with free access to the software's source code, the actual lines of commands that the programmers wrote to create the software. Publishing this code offers users who are programmers the chance to examine it, to fix bugs or inefficiencies or to suggest improvements.

Once widely denigrated by commercial developers as a chaotic route to programming by committee, the open-source idea is expected to come into its own this year as a business model, with potentially far-reaching consequences for software developers and consumers.

Some analysts predict that the growing availability of open-source software will push industry prices down. Others forecast higher quality in both proprietary and open-source products, driven by new competition.

"At the start of 1998, the question was, would there be an economic model that would sustain the success of this open-source movement, and I think that question has been answered," said Robert Young, chief executive of Red Hat Software, which provides services and support for a free computer operating system called Linux. "The question for this year is, how rapidly is this going to deploy?"

Open-source programs such as Linux, a variant of the Unix operating system, are not owned by any company or individual. Instead, a global network of programmers and users manages and upgrades them, typically without being paid directly to do so.

Their motivations vary. Many have built formidable reputations with their contributions to open-source programs, and those reputations can translate into lucrative job offers. Others profess an almost moral commitment, arguing that open-source development simply works better than the traditional closed, pro-

proprietary commercial programming.

Linux, the star of the open-source movement, is seen as a competitor to Windows NT, Microsoft's industrial-strength operating system. Perhaps the most persuasive evidence of the potential of open source to rattle the balance of power in the industry came recently from Microsoft itself. In two internal memorandums that found their way to the Internet, a Microsoft engineer described Linux as a "mind-share threat" and suggested ways to compete with it.

Open source has its roots in venerable programs such as Sendmail Inc.'s software that Internet servers around the world use to relay electronic mail to its intended destination, and Perl, the programming language that was used to fashion many of the World Wide Web's interactive features.

Open source began to gain support last year from blue-chip technology companies. International Business Machines Corp., for instance, became a major contributor to Apache, an open-source program for creating Web pages used by the vast majority of Internet service providers. In a new commercial twist on the theme, Sun Microsystems Inc. agreed to make its popular Java source code available to developers who license it. Sun is also retaining PriceWaterhouseCoopers to audit the process of who determines which new functions can be added to the language.

Perhaps the most widely publicized move in this trend came when Netscape Communications Corp. released the source code to its Navigator Web browser. America Online Inc., which plans to acquire Netscape, has pledged to support its open-source initiatives.

The moves are driven in part by a common interest in supporting alternatives to Microsoft. But they also reflect the emergence of a new emphasis on making money through software services and support rather than from the software itself.

Mr. Young of Red Hat Software, which last year received investments from Intel Corp. and Netscape, predicts that the top 10 manufacturers of personal computers will offer Linux by the end of this year. Although IBM and Compaq Computer Corp.'s Digital Equipment division sell operating systems, they also have announced plans to make some of their software work with Linux. The idea is that they will make money on hardware sales and consulting fees.

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Children in Balakhany, Azerbaijan, playing in a rarely used oil field, a relic from a boom of a century ago.

Can New Caspian States Handle a Gusher of Oil Cash?

By Stephen Kinzer
New York Times Service

BALAKHANY, Azerbaijan — A forest of rusting oil derricks, relics of the last oil boom here a century ago, stretches from this gritty town toward the shore of the Caspian Sea. The derricks are producing low-grade crude, worked by laborers who live nearby in hovels. Oil permeates the soil, and in warm months its stench becomes nearly unbearable.

A welder who lives at the edge of the sprawling oil field, Kazim Heydarov, earns a monthly salary equal to \$50 from the state-owned Azerbaijani oil company. With that and the produce from a small vegetable garden, he supports his wife and three children.

"When the oil money starts coming in, the government will pave our streets," Mr. Heydarov predicted during a recent break from his work. "There will be free medicine and schoolbooks. I'll be making enough money to move to a nicer place away from here."

Asked how he and his friends would react if the oil wealth did not filter down to them, Mr. Heydarov paused, as if he had never considered the possibility. "The money has to be used for our benefit because we're the people of this country," he said finally. "If it doesn't, of course we will be very angry."

Waves of cash are expected to begin pouring into the treasuries of Azerbaijan and the two other young Caspian countries, Kazakhstan and Turkmenistan. Even with a slump in crude-oil prices, all three former Soviet republics will probably have more than enough money to guarantee most of their citizens a comfortable life.

Sudden riches, however, can be dangerous. Oil money has made some countries prosperous, but it has helped destroy others. The three new countries on the shores of the Caspian Sea are ruled by despots, torn by ethnic rivalries, plagued by corruption and surrounded by unruly neighbors. Many outsiders doubt their ability to survive the bonanza ahead. Some fear a decline into Nigeria-style chaos rather than a rise to Norway-like stability and affluence.

"There is no sign that they will have the capacity to manage this wealth," said Ercan Murat, the chief United Nations representative in Azerbaijan. "It will create a lot of problems. It will increase the already substantial gap between rich and poor, and eventually it will affect political stability."

At some point in the coming decade, when oil and gas production reaches its capacity and pipeline networks are in place, the three new Caspian countries will be hit by what planners call "the wall of money." Each will probably take in billions of dollars each year from energy exports.

Falling oil prices have sobered energy executives and government officials in Caspian countries. Their re-

source is large enough, however, that even with low prices, they can be reasonably sure of making enough money to lift their countries out of poverty.

Government officials pledge that they will use this money to build schools, hospitals and roads. But they concede that no plans are in place to cement such promises.

Here in Azerbaijan, where the big money is expected to begin arriving around 2003, newly rich "oil sharks" pay cash for luxury cars but can barely drive them outside the capital because roads are in ruins.

In Kazakhstan, which also expects to see riches in about five years, the government has moved its capital from the largest city, Almaty, to Astana, a remote town on the northern steppe, at a cost that may reach billions of dollars. Yet almost nothing is being spent to deal with a virulent strain of tuberculosis that is sweeping the country or to combat other diseases ranging from polio to bubonic plague.

It is less certain when great wealth will come to Turkmenistan, because someone must first build a pipeline for its natural-gas reserves, and energy companies are still deciding which route would be most economical. But even with no decision in sight, President Saparmurat Niyazov has embarked on a billion-dollar building spree, borrowing money from foreign banks to pay for hotels, palaces and mosques.

Three specters figure in almost every Caspian nightmare: corruption, ethnic war and battles over political succession.

The presidents of Kazakhstan, Turkmenistan and Azerbaijan spent decades in the Communist apparatus, rising to pinnacles of power in a system that rewarded the clever, the devious and the ruthless. Today they rule in the style of absolute monarchs.

Even critics of the three leaders, however, acknowledge that they have done remarkably well in balancing pressures from foreign governments and oil companies.

President Heydar Aliyev of Azerbaijan has proven especially deft, returning from political oblivion and then emerging as an international deal-maker. Yet he also personifies the region's weaknesses.

Mr. Aliyev, who is 75, has crushed several potential successors, apparently fearing that they might seek to overthrow him.

Mr. Niyazov, 58, was hospitalized in 1993 for what was described as an arterial blockage in his lung, and last year he underwent a quadruple bypass heart operation. Nonetheless, he insists that he is in perfect health and brooks no talk of successors.

Kazakhstan's president, Nursultan Nazarbayev, also 58, has called an election for January, apparently hoping to prolong his mandate before any trouble sets in, but his strongest critic has been excluded from the ballot.

same global turmoil that struck their neighbors — Hong Kong's economy is in a deep recession — the currency boards have so far survived.

They have given the developing world a rare example of monetary stability. Hong Kong, Argentina and Bulgaria are widely seen as better positioned than their neighbors to rebound quickly, in part because outside investors have faith that they won't face the risk of devaluation before they get their money back.

Making money stable has been the greatest monetary challenge of the ages. Stable currencies promote trade and investment. Historically, countries sought to make their currencies solid by stocking their treasuries with gold, which prevailed as the monetary standard in the United States from the late 19th century until the Great Depression.

With the decline of classical economics in the 1930s and 1940s, countries with currency

boards, proponents say, is to remove power from central bankers who might use money supply to manipulate their economies, often for political purposes.

"Currency sovereignty is the right to have stagnant growth because the central banks screw up all the time," said Rudiger Dornbusch, an economist at the Massachusetts Institute of Technology. "In this environment it is increasingly ridiculous to argue that every country must have its own central bank."

Today, only a handful of governments, including those of Hong Kong, Argentina and Bulgaria, have currency boards, which were a common management tool for colonies in the British empire. Hong Kong and Argentina back their local currencies with U.S. dollars, while Bulgaria guarantees convertibility to the Deutsche mark at a fixed rate.

Though countries with currency

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Though countries with currency

CURRENCY RATES

Cross Rates	Dec. 30-31	Dec. 31
Australian dollar	1.0800	1.0750
British pound	1.6200	1.6150
Canadian dollar	0.6800	0.6750
French franc	6.5500	6.5450
German mark	1.9300	1.9250
Italian lira	2036.00	2031.00
Japanese yen	107.00	106.50
Swiss franc	1.4800	1.4750
U.S. dollar	1.0000	1.0000

Other Dollar Values	Dec. 31
British pound	1.6200
Canadian dollar	0.6800
French franc	6.5500
German mark	1.9300
Italian lira	2036.00
Japanese yen	107.00
Swiss franc	1.4800
U.S. dollar	1.0000

Forward Rates	Dec. 31
30-day	1.0000
60-day	1.0000
90-day	1.0000
180-day	1.0000
360-day	1.0000

In Quest for Stability, National Currency Boards Gain Favor

By Joseph Kahn
New York Times Service

NEW YORK — The dominant economic story of the past year or so might be summed up this way: When currencies float, economies sink.

From Thailand in mid-1997 to Russia last year, many countries allowed their currencies to float after their exchange rates against the U.S. dollar had collapsed, often under pressure from speculators. Then, without exception, those nations' economies sank. The lack of any links or pegs to the dollar, the world's benchmark currency, made it more difficult for Russia and many Asian countries to repay foreign loans and contributed to severe recessions.

The currency-induced turmoil has shaken some core assumptions of modern economics. For decades, orthodox monetary policy has favored floating exchange rates. Financial markets, not governments,

the thinking goes. Central banks should achieve policy objectives by raising or lowering interest rates to influence the market. Most major Western economies manage their currencies this way.

But one outcome of the global financial turmoil is that some economists are challenging that way of thinking, at least as it applies to smaller and less developed countries.

The debate seems likely to heat up this year and could well lead to the most radical shifts in the way economies interact with one another since the system of fixed-exchange rates broke down in the early 1970s.

In Latin America, Eastern Europe and parts of Asia, leading economists, business executives and government officials are pondering effectively abandoning their independent currencies, strictly controlling the powers of central banks and linking themselves to one or another of the world's major currencies, especially the dollar or the euro,

"I sense a growing feeling in Asia and Latin America, particularly, that floating rates are fine for the United States, but not so good for small countries," said Merton Miller, a Nobel prize-winning economist at the University of Chicago. "For many years, everybody in America thought floating exchange rates were the answer, but now there's a sense that this exacerbates the problem."

Mr. Miller has recently won converts to his long-held view that small countries should replace their central banks with currency boards that would have none of the market-intervention powers of today's central banks.

In this system, the country still issues currency, but the central bank agrees to exchange the currency at a preset rate for dollars or some other strong foreign currency. Money supply is dictated by the central bank's reserve of hard currency, meaning that the quantity of local currency fluctuates depending on how much

through trade or investment.

A leading benefit of currency boards, proponents say, is to remove power from central bankers who might use money supply to manipulate their economies, often for political purposes.

"Currency sovereignty is the right to have stagnant growth because the central banks screw up all the time," said Rudiger Dornbusch, an economist at the Massachusetts Institute of Technology. "In this environment it is increasingly ridiculous to argue that every country must have its own central bank."

Today, only a handful of governments, including those of Hong Kong, Argentina and Bulgaria, have currency boards, which were a common management tool for colonies in the British empire. Hong Kong and Argentina back their local currencies with U.S. dollars, while Bulgaria guarantees convertibility to the Deutsche mark at a fixed rate.

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Though countries with currency

CAPITAL MARKETS ON MONDAY

Bulls Bank on the Euro to Fuel Long-Term Gains for European Markets

By Reed Abelson
New York Times Service

NEW YORK — Euro! That's the view of many investors looking forward to the debut in major financial markets Monday of the euro, the single currency that now binds 11 European countries and promises to create a more unified economy in much of Europe.

Europe, which has emerged in the past couple of years from a long slump, should become an increasingly popular place to buy stocks and bonds, experts say.

"The introduction of the euro will raise the profile of the region," said Erik Granade, an international portfolio manager for Invesco Capital Management in Atlanta.

As obstacles to trade and investment across borders have been broken down under the European Union's campaign to build a single market roughly the size

of the U.S. economy, European companies have been scrambling to become more competitive. That has led to a whirl of merger activity, such as the recent combination of Zeneca Group PLC of Britain with Astra AB of Sweden, and a wave of restructurings.

As a result, over the past year the stock prices of many large European companies have risen. The Dow Jones Euro Stoxx 50, an index made up of 50 large European companies, gained 26 percent in 1998.

Many investment managers say the changes resulting from much of Europe adopting a single monetary policy will offer more profit opportunities for years to come. They say Europe could see a period of prosperity not unlike what resulted in the United States in the 1980s and 1990s from U.S. corporations' efforts to downsize and restructure themselves. "This can have very, very long legs,"

said George Murnaghan, an executive vice president for Rowe Price Fleming International in Baltimore.

Putnam Investments, a Boston-based mutual-fund group, is also bullish on European companies. While the return on capital achieved by U.S. companies has drastically improved since the 1970s, the returns of companies in France, Italy and Germany have actually declined. "There is a tremendous gap that has opened up there," said Jonathan Francis, the head of global strategy for Putnam.

Most portfolio managers say the introduction of the euro will force investors to take a broader approach when selecting stocks. "There is going to be dramatic change in how they view things and how they operate," said Michael Gerdner, an international portfolio manager for Founders Asset Management in Denver.

While many managers, both in the United States and in Europe, often bought shares of leading companies in different countries simply to lessen risk and enhance diversity, they will increasingly focus on choosing stocks in attractive industries and on picking the best companies in all of Europe.

Take Ente Nazionale Idrocarburi, a big Italian oil and gas company with broad interests elsewhere, which may have been overshadowed by British Petroleum Co. and Royal Dutch/Shell Group. It could become a more popular holding for investors as the oil industry recovers and ENI, which is already included in major European baskets of stocks, becomes better-known around the globe.

"You are going to have so much focus on the big names," Mr. Gerdner said. Many portfolio managers say the companies that are poised to benefit most from this new emphasis on specific sectors and industries are also the ones that should prosper in a more pan-European environment: the large, multi-

national companies that most resemble American blue-chip concerns.

But those companies are not necessarily located in the countries joining forces. Mr. Murnaghan cited Nestle SA, the giant Swiss food company. The company's executives "have positioned themselves very well to compete," he said. But Switzerland has rejected membership in the 15-nation European Union, is maintaining its own Swiss franc and is not considered likely to consider joining the 11-nation euro bloc soon.

Some say smaller companies that are successfully exploiting a niche will also prosper. Mr. Gerdner, for example, points to TelePizza SA, a Spanish fast-food company that has managed to fend off many competitors. But he would avoid "also-rans," or companies that are only the fourth- or fifth-largest in their markets.

Mr. Francis of Putnam Investments warned that investors would be making a mistake to blur the distinctions among the countries taking part in the euro, especially when buying government

bonds. Some say investors may currently be giving too much credit — literally — to Italy by failing to significantly differentiate in price its bonds from those of Germany or France.

But the emergence of the euro is expected to fuel the growth of the corporate bond market in Europe, according to N. Graham Allen, chief fixed-income officer for Wells Capital Management.

Still, some portfolio managers are approaching the enthusiasm over a unified Europe with caution. The euro countries may have their fair share of inflating as they struggle to operate under a common monetary policy that will no longer take account of differences in economic development.

"I don't give it great odds of being as effective as everyone thinks," said James Paulsen, chief investment officer for Norwest Investment Management in Minneapolis.

Any evolution of a truly united Europe is bound to take time, he said. "It doesn't happen in a flash," he said. "It happens generationally."

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Dec. 31. Prices supplied by Telekurs.

Rank Name Cpn Maturity Price C/Yld

Austrian Schilling

102 Austria	zero	07/15/99	n.a.	
103 Austria	zero	07/15/99	n.a.	
104 Austria	zero	07/15/99	n.a.	
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250 Austria	zero	07/15/99	n.a.	

Belgian Franc

181 Belgium	6%	12/21/04	137.8000	5.8100
190 Belgium	6%	11/21/04	115.5500	5.8300

British Pound

90 Rolltrack	5%	12/29/28	100.6250	5.8400
105 TMC FRN	7.662	01/28/29	N.A.	
118 Abbey Natl TR	5%	12/29/28	100.6250	5.3400

Consolidated prices for all shares traded during week ended Thursday, June 10, 1992

Consolidated prices for all shares traded during week ended Thursday, December 21

Selling week ended Thursday, December 31		Selling week ended Thursday, December 31	
Stocks	Div Yld	100s High	Low
ArkBest	5.0%	54	52
ArmHld	5.0%	54	52

[The page contains extremely faint, illegible text, likely bleed-through from the reverse side.]

Stocks	Div Yld	100s High	Low	Chg	Stocks	Div Yld	100s High	Low	Chg
Quartz	-	172 1/2	8 1/2	7 1/2	7 1/2	-	516 9/16	9	9 1/4

[illegible]

Stocks	Div Yld	100s High	Low	Chg	Stocks	Div Yld	100s High	Low	Chg
Enbridge Inc.	-	157 3/4	157 1/4	+3/4	Graphic	-	98 1/2	98 1/4	-1/4

[illegible]

Stocks	Div Yld	100% High	Low	Close	Chge
Int'l Pac Eng	—	1500	97 1/2	830	9 1/2 + 1/2

Continued on Page 17

Continued on Page 17

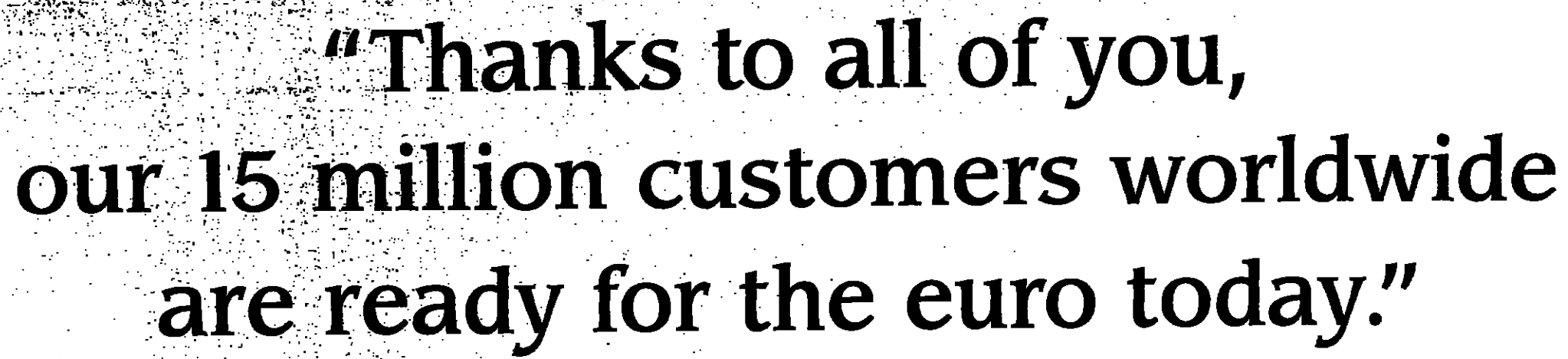
Figures as of close
of trading Thursday, December 31

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صبرنا من الاجل

may cut credit help to slowing its bond issuance. "There is excellent corporate borrowing according to NBER's income statement agreement. The effects are apparent as a unified view of countries and countries, highlighting a common effort to take a balanced look at economic development of being a link," said the management officer of management of truly unified. "he said of the said of

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Philly

P.J. Kalff, Chairman of the Managing Board

The Euro Is Here / A Continent Divided

EUROPE: Lingering East-West Divisions Defy Long-Held Dreams of Unity

Continued from Page 1

centuries by instability and bloodshed. The euro, a single currency for 290 million people that may in time challenge the dollar, symbolizes a colossal achievement.

Yet it falls short of the original vision of a federal Europe with a single currency at its heart. Through its 20-year gestation, the euro appears to have been altered from a political ideal to a more prosaic economic tool.

Europe, for the foreseeable future, seems set to remain a hybrid beast, using English as its lingua franca and running its monetary policy through a federal institution, the European Central Bank in Frankfurt, while control of most other instruments of government, including budgets, remains at the national level.

Whether such an arrangement, a new experiment in historical terms, is workable remains unclear. Projected slower European growth in 1999, dragged down by slumps in Asia and Latin America, may place added strain on the euro's inception.

Beyond the economics loom larger questions. With the Cold War's glue now gone, will the trans-Atlantic bond that buttressed European growth remain firm as "Euroland" takes form?

The 11 nations joining the euro have abandoned an important part of their sovereignty to the European Central Bank. That probably will dispose them toward finding multilateral solutions to world problems, while a wholly sovereign America may choose, as it did recently over Iraq, to take a unilateral view of its interests.

Does Europe still have the vitality and drive to overcome the many remaining divisions between its capitalist and former Communist halves, to fulfill Mr. Karbaun's dream of making Gorizia one again?

Voicing a sentiment common in France, which acutely feels an end-of-millennium intellectual malaise, Arnaud Jacomet, a French defense official, considers Europe "a tired continent, in late middle age, looking only for a comfortable retirement, with the United States as its eternal protector." In this vision, Europe may be content to rest on its laurels, leaving the formerly Communist and still relatively poor states in its East on the outside looking in.

The 11 nations that have adopted the new currency have formidable economic heft. They represent about 18 percent of the world's total output and account for about 20 percent of its exports. After the United States, "Euroland" will be the world's second-largest trading area with a single currency.

The euro, if it is successful, will provide enhanced European capital markets, easier comparison of prices, improved competitiveness, convenience and the kind of stability that enabled the Continent largely to withstand the effects of the Asian and Latin American economic crises of 1998.

Already, the tough fiscal and other criteria set for qualifying for the euro have drawn countries such as Spain, Italy and Portugal toward a low-inflation prosperity they had never previously known.

The euro, and the 15-nation European Union in general, have amounted to a beneficent magnet.

Some day, many economists say, the euro may even rival the dollar as a reserve currency, obliging the United States to abandon a central assumption: that its deficits will always be financed because the world wants dollars.

Norway, for example, is certain to take payment for oil exported to "Euroland" in euros rather than in dollars because it imports principally from European countries. East Euro-

pean exporters may do the same. "Taking a three-year view, the euro will present a serious challenge to the dollar," said David Hale, chief economist for the Chicago-based Zurich Group. "America may have to rethink its view of itself."

But challenging America in the ether of world financial markets is a long way from creating the unified political entity imagined by the founding fathers of the European Union and very far from any European emancipation from American military tutelage.

For generations, ever since Churchill spoke in 1946 of uniting Europe in "the sharing of its common inheritance" and Jean Monnet of France laid the first foundation stones of integration, many Europeans have dreamed of unity. Yet just as the euro is being introduced, the idea of Europe may have lost its galvanizing appeal.

A difficult decade in Europe has taken a heavy toll on the European ideal. Slow growth and high unemployment—more than 10 percent in Germany, more than 11 percent in France—have been widely equated with the budgetary rigors imposed as preparation for the new currency.

In many places, Brussels has become a dirty word.

Although East Europeans still talk constantly of "joining Europe," seeing in this mantra the age-old vision that European unity could banish the Continent's demons and bring peace, "Europe" has little or no resonance for the millions of young West Europeans touched by unemployment, and no other forward-looking message has been found to take its place.

Indeed, the very words "idea" and "Europe" seem strangely paired, because intellectual vitality appears to have migrated elsewhere, and with it the forces now chugging the world.

Yves Thibault de Silgny is the European Union's top monetary official and an ardent promoter of the euro. For this energetic Frenchman, a Paris-to-Potsdam, Berlin-to-Barcelona currency may eventually make the nations that have opted to join "Euroland" more stable and robust.

But European patriotism—hearted thumping, even stirring, before Europe's blue and gold flag? Forget it. A quick expansion eastward to embrace formerly Communist Mitteleuropa? Not likely.

"We can never be an American melting pot, even with a single currency," Mr. de Silgny said. "People here are firmly attached to national ideas. They like to live in a big, open European market but within their own language and culture. As for expansion eastward, we need to wait. You have to be a realist."

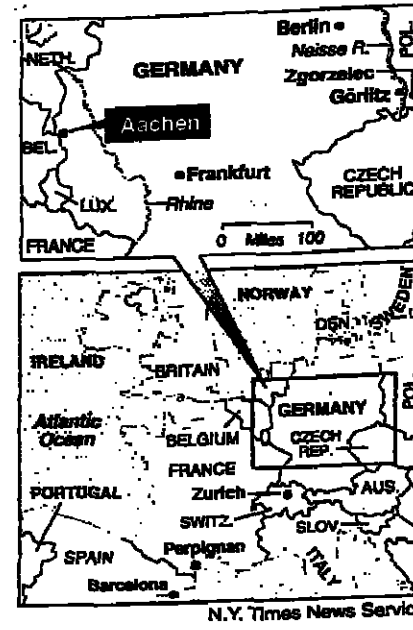
Such realism, however, is new at European headquarters.

A few years ago, the dismissal of a United States of Europe, especially by a Frenchman, would have been viewed as Thatcherite Europhobia. For decades, the European Union progressed precisely by being unrealistic. It embraced far-fetched dreams, such as a single currency, and somehow staggered toward them.

But now, the boldness of a postwar European generation driven by the desire to banish bloodshed from the Continent has given way to the pragmatism of a more pampered generation for whom America is at least as resonant as Europe.

This shift of ambition suggests that Europe will long remain what Norbert Walter, the chief economist at Deutsche Bank, calls "an economic giant and a political dwarf."

While challenging U.S. supremacy on the currency markets, the dwarf will still desire—even require—U.S. military



BRITAIN: Watching It Happen

Continued from Page 1

just about currencies when the Continentals are clearly out to create a new country and a new government?" asked John Redwood, a leading euroskeptic among the opposition Conservatives.

Still, financial-market participants seemed certain that, with such a vast market lapping at its shores, Britain would not escape the tidal pull of the currency. Even though Britain is outside the euro zone, London has Europe's biggest stock, bond and foreign exchange markets.

Swapping pinstripes for blue jeans, some 30,000 bankers and backroom staff toiled over the weekend to prepare the trading floors for an anticipated euro deluge when markets here open Monday, turning 11 European currencies into expressions of the euro and converting a mass of financial data in what some depicted as a less-than-dramatic exercise.

"As far as excitement is concerned, it was a bit of a dud," said Rich Silverman, a spokesman for Merrill Lynch. "You had the sense that you were part of history. But not every part of history is exciting."

The euro's penetration, however, is likely to run deep.

Already, said Grant Phillips, head of the euro program at Barclays Corporate Banking, some 30,000 British corporations, large and small, have opened bank accounts in euros with his bank, Britain's biggest, alone.

Some leading companies with Continental European business ties have let it be known that they will favor suppliers who deal in euros, abandoning Britain's cherished pound sterling. There is even talk of some companies offering euro salaries to enable British employees to access cheaper mortgages at the lower euro interest rates.

With this "creeping euro," Mr. Phillips said, "we are fast getting to the stage of the euro strolling, if not galloping, through the British economy."

Such arguments strengthen those who argue that, by abstaining from the first wave of the euro, Britain is repeating its historical mistake of denying the inevitable in Europe.

"The tragedy," The Observer newspaper said in an editorial Sunday, "is that once again the British political and media establishment have made sure Britain is not in a vital European project at the beginning."

Under this argument, Britain is missing out not just on decision-making about the currency of its main trading area but also on a great opportunity for cheaper money in the low-interest-rate euro zone and cheaper trade in a vast region free of foreign-exchange risks and costs.

The counterargument comes back to the question of Britain's ability to steer its own economy, manage its own interest rates and taxes, and preserve its own blend of low unemployment, low taxes and relatively cheap labor.

The euro, said Lord David Owen, a former Labour foreign secretary, would mean far greater European "involvement" in questions of "tax, even welfare, hours of work, working conditions." It also would mean, he said as he launched a new anti-euro movement Sunday, that "essential parts" of British budget-making would "now be decided in Euroland," the term widely used for the 11 participating countries, which share interest rates set by the European Central Bank in Frankfurt.

The European Central Bank, like most other European financial institutions, said Sunday its preparations for the euro had been completed smoothly.

Against all the hoopla surrounding the euro across the Channel, it seemed typical of Britain's intervention that the main political issues this weekend related not to the new currency but to lingering brush fires over the resignation last month of Trade Secretary Peter Mandelson and to a tussle over Mr. Blair's decision to let his children of 7 government education policy and arts classes at school this week while they complete their Indian Ocean vacation.

Beyond that, though, Mr. Blair's government is widely seen as being friendly to the euro than its Conservative predecessor—to the extent, said Mr. Riddell, the newspaper columnist, that "it's when rather than if with Blair." The government's stated policy is to postpone a decision on joining the euro until a referendum after the next general election, which must be held by 2002.

EURO: Strong Start for Currency

Continued from Page 1

While the central bank has the task of setting monetary targets such as interest and exchange rates, the national banks with more than 65,000 staffers were responsible for watching over the transition to the new currency.

National currencies were irrevocably locked into the euro Thursday, turning francs, marks, pesetas, pounds, schillings, lire, guilders, escudos and markkaa—which will continue to circulate until the introduction of euro bank notes and coins in 2002—into subsidiaries of the single currency.

The euro instantly became Europe's largest currency for noncash transactions, which account for the vast bulk of movements in the money supply. Over the weekend, tens of thousands of computer technicians, secretaries, dealers and brokers worked to convert trillions of dollars of securities into the new currency.

While European finance ministers proclaim that the euro will be a stable and strong currency, too much strength is not entirely welcome news to European economic planners. They fear that if the euro is too strong, it could make it more difficult for Europe's exporters to sell their wares, as a strong currency makes exports more expensive.

In Japan, the U.S. currency is weak anyway, having fallen to about 113 yen, its lowest level since October. Analysts said a successful launch of the euro, drawing investments into Europe, could cause even more headaches for the Japanese bond market, which last week fell to its lowest level in more than a year after the government said it planned to issue a record 31.05 trillion yen (\$274.17 billion) in bonds this year.

The Frankfurt-based European Central Bank said the prospect of a successful conversion to the new currency was "a sign of the quality of the preparatory work carried out in the past months and years by the community of central banks and by private operators in the financial markets."

Although there have been many dry runs, the first day of trading was certain to be a major challenge for financial systems.

Even if the financial system comes through the first day of trading unscathed, it will be several days before market operators will be able to breathe easier. The deputy governor of the Bank of England, David Clementi, warned that commercial banks and financial houses could face "substantial losses" because of botched trades or payments sent to the wrong bank.

Jean-Claude Trichet, the governor of the Bank of France, said Sunday that Europe's marketplace was an enormously complex system in which even a small error could be magnified with unforeseen results. Merging 11 economies, he said, was like building a spacecraft in which each complex element had to work not only on its own but as part of an integrated system.

RATES: Currency Boards Are Gaining Backers

Continued from Page 11

economists turned against the gold standard and promoted the creation of bigger and more powerful central banks. Now the tide appears to be shifting again, in favor of smaller central banks and more rigid currency regimes.

One of the biggest contributors to that shift, of course, is the European monetary union that took effect Friday. The 11 participating nations are replacing their currencies with a single currency, the euro, and a single central bank, a once unthinkable sacrifice of national monetary sovereignty in favor of an economic ideal.

"The euro is a great example of how the world is going to look," said Sebastian Edwards, a professor of international economics at the University of California at Los Angeles.

"The euro itself will float against the dollar and other currencies, but member countries will have rigid exchange rates among themselves." Many economists see the world eventually dividing into two or three currency zones, one ruled by the euro, one by the dollar and perhaps a third, farther in the future, that uses the yen or Chinese yuan as an anchor. Each smaller country in a region would either simply accept the benchmark currency as legal tender at home or adopt a currency board.

But the transition to that system, if it happens at all, will not come overnight. The International Monetary Fund has favored the use of currency boards in some cases but discouraged them in others. Some leading economists argue strongly that free-floating currencies are still the best system.

Many analysts agree that the leading enemy of monetary stability is not a genuine free float but currency alchemy, the kind of monetary

distortion that may occur, for example, when a country tries to have the fixed exchange rates of a currency board but still gives its central bank power to manipulate exchange rates and money supply.

Alan Greenspan, the Federal Reserve Board chairman, has warned against quick fixes to fundamental problems in emerging markets, arguing that tinkering with currency regimes is no substitute for sound macroeconomic management.

"Many emerging-market economies have tried a number of technical devices: the fixed-rate peg, varieties of crawling peg, currency boards and even dollarization," Mr. Greenspan said in a recent speech. "The success has been mixed. Where successful, they have been backed by sound policies."

Still, some economists say they would not be surprised if the move toward currency boards gathered momentum in the months or years to come. Among the countries considered most likely to adopt them are Brazil, Mexico, Russia and Indonesia. The issue is being debated in all those countries.

Those nations would have to sacrifice sovereignty over areas of monetary management that were once considered purely national. But the lesson of the recent world turmoil may be that currency management is fundamentally international anyway.

"Remember that Germany and France had deep enmity extending back many years," Mr. Miller said. "They came together to form the core of the euro countries. Who's to say that Brazil and Argentina, or China and Japan, cannot resolve their grievances? I think that sooner or later they will realize that this is the way to go."

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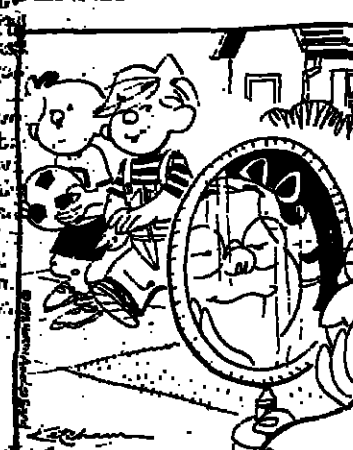
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NASDAQ NATIONAL MARKET

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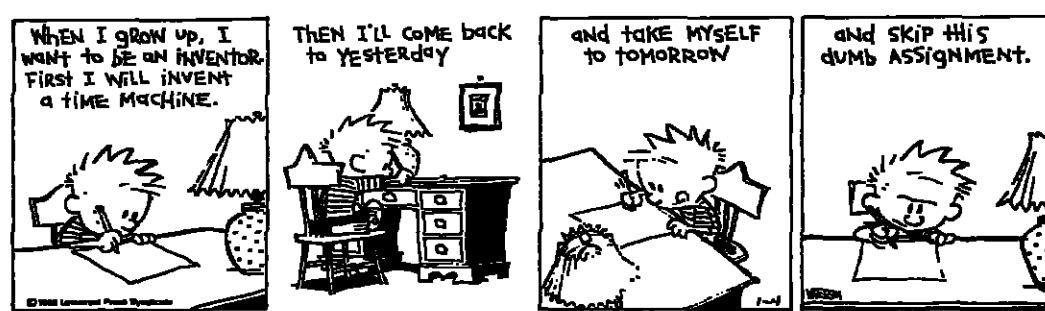
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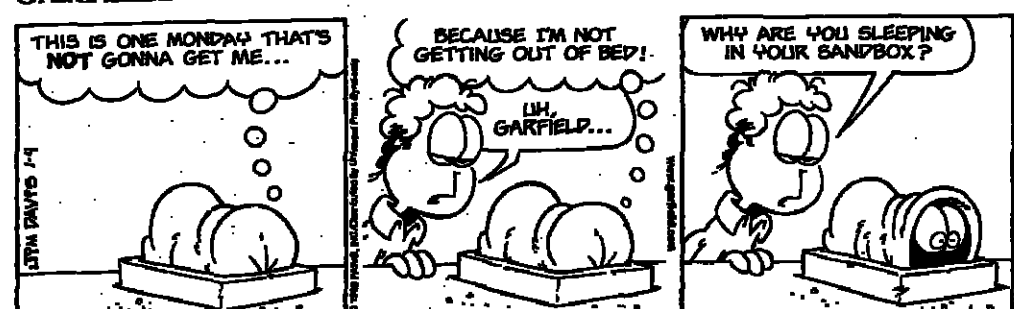
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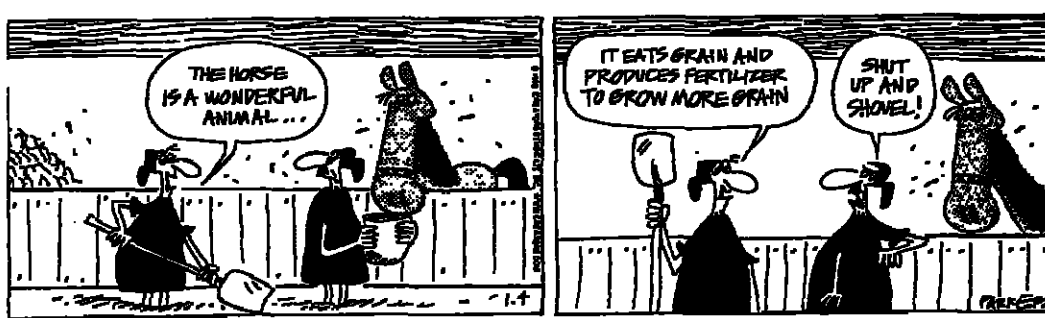
CALVIN AND HOBBS



GARFIELD



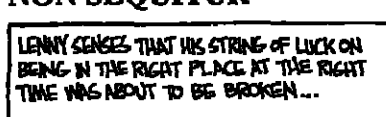
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SPORTS

Sturm Steers Sharks to Victory Over Islanders

The Associated Press
Marco Sturm scored at 1:47 of overtime to give the San Jose Sharks a 4-3 victory over the New York Islanders.

The former Islander defenseman Jeff Norton came in on the left wing on an odd-man rush and softly centered a pass to Sturm, who sent a 25-footer over the glove of goalie Marcel Cousineau.

Mike Ricci scored twice for the visiting Sharks on Saturday night, who are

NHL Roundup

Now 5-1-1 in their last seven games. Owen Nolan also scored for San Jose, and Steve Shields stopped 18 shots.

Zigmund Palffy scored twice for the Islanders, who have lost four straight games and are 1-5-2 in their last eight.

New York scored for the first time in three games when Kenny Jonsson picked up a power-play goal at 5:11 of the second period. The goal snapped a scoreless drought of 17:55 — the longest in franchise history.

Red Wings 5, Blackhawks 2 Larry Murphy, Steve Yzerman and Tomas Holmstrom each scored in a 73-second span of the third period as host Detroit snapped a seven-game winless streak. Sergei Fedorov and Kris Draper also scored for the Red Wings, who had lost four straight at Joe Louis Arena.

Chris Chelios and Eric Daze scored for the Blackhawks, who have won just three of 16 road games.

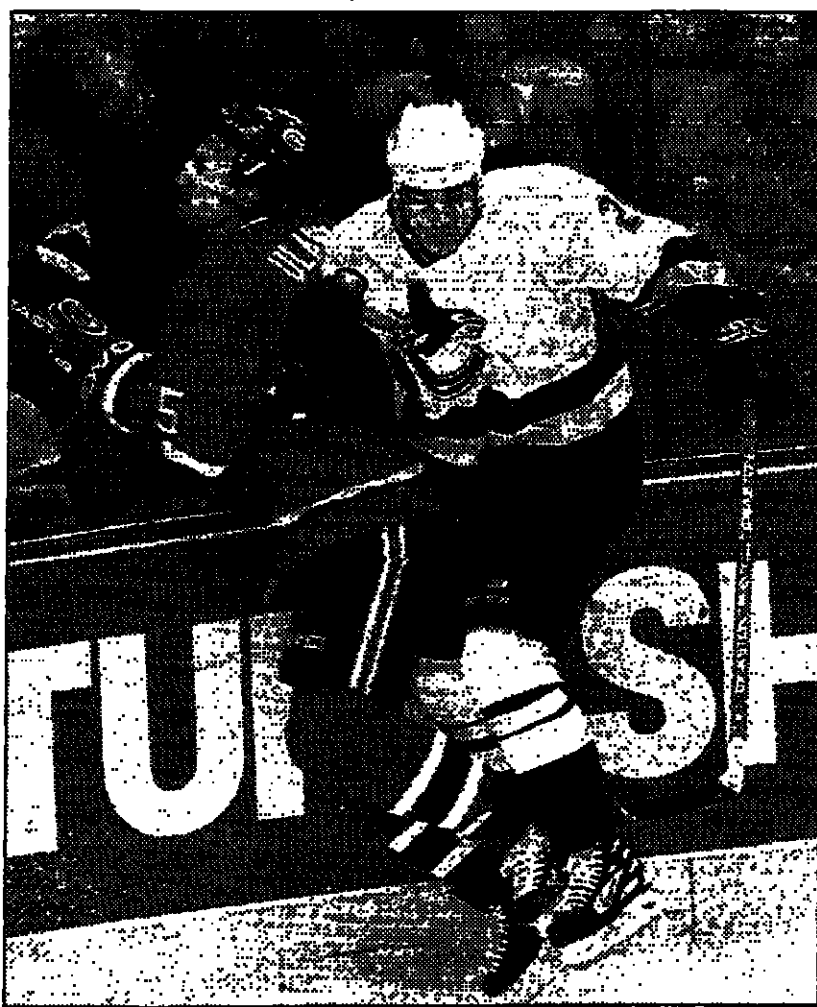
Hurricanes 4, Predators 1 Sami Kapaneen had two goals and an assist as North Carolina extended Nashville's losing skid to four games.

Ray Sheppard and Keith Primeau added one goal each and Marek Malik, Gary Roberts, Glen Wesley and the newly acquired Paul Coffey had assists for the Southeast Division-leading Hurricanes, who won for the seventh time in 11 home games.

Bruins 2, Mighty Ducks 1 In Boston, Steve Heinze scored the tiebreaking goal midway through the third period as the Bruins beat Anaheim.

Heinze took a pass from Jason Allison and beat goalie Guy Hebert at 10:28 for his 10th goal of the season.

Captains 5, Maple Leafs 2 In Toronto,



Steve Staios of Vancouver slapping Igor Ulanov of Montreal.

Brian Bellows had a goal and assist, including the 1,000th point of his NHL career, to lead Washington past the Maple Leafs.

Michael Pivonka, Jan Bulis and Calle Johansson also scored for the Capitals.

Senators 6, Devils 0 Ottawa goalie tender Damian Rhodes was credited with a goal and also made 30 saves to lead the host Senators to their first shutout of the season.

Rhodes became the first modern-era Ottawa goalie to be credited with a goal at 8:14 of the first period.

Penguins 4, Panthers 1 In Pittsburgh, Alexei Kovalev had two goals and an assist as visiting Pittsburgh won its third straight.

The Penguins outshot the Panthers, 16-3, in the second period and took a 4-2 lead on goals by Jaromir Jagr and Kovalev.

Sabres 7, Flames 1 In Buffalo, the Sabres gave their slumping goaltender, Dominik Hasek, the night off and stopped a three-game losing streak.

Dwayne Roloson filled in for Hasek, who had started the Sabres' first 33 games this season. Hasek was rested after giving up 14 goals in his last three games, including seven to Anaheim on Friday night.

Blues 0, Mike Richter got his third shutout this season, and John MacLean scored the only goal to give visiting New York a victory over St. Louis. Richter stopped 24 shots in his 31st career shutout, which tied Lorne Chabot for sixth place on the Rangers' all-time list.

Canadiens 2, Canucks 1 In Vancouver, Martin Rucinsky and Patrick Poulin each scored a goal as Montreal won its fourth straight. Adrian Ansbauer made it 2-1 on a power-play goal with 1:08 left and then hit the post with 20 seconds remaining.

Kings 4, Avalanche 2 Ray Ferraro scored twice and Jozsef Stempel had a goal and an assist as host Los Angeles beat Colorado for its first three-game winning streak of the season.

When a Yacht Race Turns Deadly

Sydney-Hobart Tragedy Echoes Fastnet Disaster 20 Years Ago

By John Rousmaniere
New York Times Service

STORMS at sea may seem the stuff of romance to some, but not to the sailors who desperately endure them.

A horrific, unseasonal summer storm stretched from Australia to New Zealand last week, and brought with it huge waves and hurricane-strength winds that pounded the 115 sailboats in the 630-mile (1,000-kilometer) race from Sydney, Australia, to Hobart, Tasmania. Six sailors died and 55 had to be rescued in a heroic air and sea effort that included night helicopter sorties to pull people out of the water.

It is too early to form settled conclusions about this recent yachting disaster, but perhaps a look back at a similar tragedy can shed some light on what happened.

In the 1979 Fastnet Race between England and Ireland, 15 sailors died, 74 were rescued and 24 boats were abandoned in conditions akin to those in last week's Australian race.

Sailed in the Fastnet, in an American 47-foot boat that finished the race. The experience was terrifying. The wind was so strong that it took our breath away. Holding on against the boat's violent rolling and pitching, even making ourselves heard over the oppressive roar, were harsh challenges. The waves, like three-story breakers, threw tons of water on boats half their weight, rolling many of them over and crushing their masts. And all this was at night.

When the wind and waves were on the bow, as they were for the few boats that kept racing in the Fastnet and last week in the Sydney-Hobart, the violent pummeling was constant. And it was not much more secure with the wind on the stern, for the many boats that had dropped out of the race and had run for shelter.

Another similarity between the two events is unfortunate: as the storms died, finger-pointing thrived.

Some people contend that the organizers should have called off the races when the storm hit. This is an irrelevant. Canceling the race would not beam the boats and sailors up from their dangerous circumstances. Racing or not, they still had many miles and many hours to sail in horrendous conditions before they reached shore. Most of the fatalities in the 1979 Fastnet and at least one in the 1998 Sydney-Hobart were on

boats that abandoned racing. Should the starts have been postponed or canceled because of threatening weather? The Fastnet storm was a major surprise in 1979, when relatively primitive meteorological systems were available (many weather maps were still compiled using reports from ships at sea).

But last week, the satellite pictures that were available before the start showed a large low-pressure system building and moving slowly toward the race course. After the start, it sped up and grew rapidly. Meteorologists were tracking the storm, and their forecasts for gale-force, 55-knot winds were heard by the race organizers and the sailors before and during the race.

But the pressures to start on time are always tremendous. Several years ago, the Cruising Club of America postponed the start of a Newport-Bermuda Race because of a hurricane threat and received little appreciation from the 2,000 sailors and their families whose schedules were thrown into chaos.

In yacht racing, the tradition is to start the race, then rely on the individual crews to decide whether to carry on based on their on-the-spot evaluation of the situation. This is a sensible approach. Boats vary greatly in size and seaworthiness, and weather can change dramatically every few miles.

For all these reasons, the racing rules specify that the ultimate authority to enter and finish a race lies with the captain. In both the Fastnet and the Sydney-Hobart, most boats stopped racing as soon as their crews sensed they were in danger.

While such risks may seem unacceptable on the rare occasions when a fleet encounters a storm, thousands of amateur sailors will continue to go out in ocean races. Almost all these 700-mile ocean races are about as risky as a summer five-day camping trip.

If racing 35- to 80-foot sailboats on the ocean has come to seem more risky, it is partly because of the appearance of a number of highly publicized, supremely macho professional round-the-world races sailed directly into harm's way in wild boats. These events, like the round-the-world single-handed race which, coincidentally, took boats into the Tasman Sea a few days after last week's storm, provide entertainment to those of us who follow them on the Internet. They are not relevant, however, to the sailing that most people do.

But while judgment can be suspended on the Sydney-Hobart race, we should not be blind to two real concerns.

The first is the type of boats going out on the ocean in these races. In a trend that began before the 1979 Fastnet, racing sailboats have become faster and also less stable. They are built for racing in bays, sounds and other protected waters, not on the ocean, where heavier boats are more seaworthy. Yet these racy, new designs are still raced in deep water.

As the yacht designer Olin Stephens 2d has observed, "It seems that two types of racing and two types of boats have become confused." Studies of the Sydney-Hobart fleet will indicate whether this confusion may have resulted in more catastrophe than this really frightful storm may have warranted.

My second concern is that, as in most sports today, the stakes of sailing competition are being raised and misdirected by commercial interests. Sponsorship, coverage by the news media and professionalism seem to be the hall of the sporting dog. Now they often are wagging it, even in sailing.

THIS is notably true in the round-the-world events and the America's Cup, all of which are wholly sponsored and with professional racers. Other races, including the Sydney-Hobart, still include thousands of amateur sailors, most of them skilled, but even they participate under the demands — implicit and explicit — of corporate sponsors.

Nobody would intentionally compromise safety, yet a number of land-bound commercial considerations will inevitably distract competitors from focusing on seamanship. Prizes are large, publicity is wider and winners today gain far more attention than mere runners-up. To make the corporate sponsors happy and to guarantee their return to cover the event's expenses the next time, finishing the race is expected of participants.

Today, the decision to keep competing in dangerous conditions may have to take into account concerns far distant from the boat's and crew's immediate situation. Therefore, safety may lose its priority. In the 1979 Fastnet, almost all crews that I know of either dropped out or kept sailing based solely on their own evaluation of their safety. Almost 20 years later, let us hope that was the case in Australia.

SCOREBOARD

ICE HOCKEY

NHL ROUNDUP

EASTERN CONFERENCE

ATLANTIC DIVISION

W	L	T	Pts	GF	GA
New Jersey	21	10	44	104	92
Pittsburgh	18	9	45	102	79
Philadelphia	16	10	39	96	90
N.Y. Rangers	14	15	37	98	96
N.Y. Islanders	13	21	28	90	111

NORTHEAST DIVISION

W	L	T	Pts	GF	GA
Buffalo	20	9	45	102	89
Toronto	18	14	40	117	105
Ottawa	18	13	40	105	83
Boston	17	13	40	94	81
Montreal	12	18	21	82	100

SOUTHEAST DIVISION

W	L	T	Pts	GF	GA
Carolina	18	14	40	100	91
Florida	12	14	32	90	94
Washington	12	20	27	80	91
Tampa Bay	9	24	21	75	123

WESTERN CONFERENCE

CENTRAL DIVISION

W	L	T	Pts	GF	GA
Detroit	18	14	38	113	101
St. Louis	12	19	32	92	89
Nashville	13	20	29	86	113
Chicago	11	21	24	80	118

NORTHWEST DIVISION

W	L	T	Pts	GF	GA
Colorado	16	18	35	98	96
Edmonton	15	17	33	96	94
Vancouver	14	19	30	92	112
Calgary	12	22	27	96	115

PACIFIC DIVISION

W	L	T	Pts	GF	GA
Dallas	24	5	54	107	67
Phoenix	21	8	46	95	63
Anaheim	14	14	36	87	83
San Jose	11	16	30	75	83
Los Angeles	13	21	29	87	98

FRIDAY RESULTS

ATLANTIC DIVISION

Carolina 1, Flyers 0-3	First Period: F-Johansson 3 (D), 2
Carolina 2, Flyers 1-2	Second Period: Carolina 1 (H), 1
Carolina 3, Flyers 2-1	Third Period: Carolina 1 (H), 1

NORTHEAST DIVISION

Buffalo 2, Devils 1-2	First Period: Buffalo 1 (D), 1
Buffalo 3, Devils 2-1	Second Period: Buffalo 1 (D), 1
Buffalo 4, Devils 3-2	Third Period: Buffalo 1 (D), 1

SOUTHEAST DIVISION

Carolina 1, Panthers 0-1	First Period: Carolina 1 (D), 1
Carolina 2, Panthers 1-0	Second Period: Carolina 1 (D), 1
Carolina 3, Panthers 2-1	Third Period: Carolina 1 (D), 1

WESTERN CONFERENCE

Detroit 2, Red Wings 1-2	First Period: Detroit 1 (D), 1
Detroit 3, Red Wings 2-1	Second Period: Detroit 1 (D), 1
Detroit 4, Red Wings 3-2	Third Period: Detroit 1 (D), 1

CENTRAL DIVISION

Detroit 1, Red Wings 0-1	First Period: Detroit 1 (D), 1
Detroit 2, Red Wings 1-0	Second Period: Detroit 1 (D), 1
Detroit 3, Red Wings 2-1	Third Period: Detroit 1 (D), 1

NORTHWEST DIVISION

Colorado 1, Avalanche 0-1	First Period: Colorado 1 (D), 1
Colorado 2, Avalanche 1-0	Second Period: Colorado 1 (D), 1
Colorado 3, Avalanche 2-1	Third Period: Colorado 1 (D), 1

PACIFIC DIVISION

Dallas 1, Stars 0-1	First Period: Dallas 1 (D), 1
Dallas 2, Stars 1-0	Second Period: Dallas 1 (D), 1
Dallas 3, Stars 2-1	Third Period: Dallas 1 (D), 1

ATLANTIC DIVISION

Carolina 1, Flyers 0-3	First Period: F-Johansson 3 (D), 2
Carolina 2, Flyers 1-2	Second Period: Carolina 1 (H), 1
Carolina 3, Flyers 2-1	Third Period: Carolina 1 (H), 1

NORTHEAST DIVISION

Buffalo 2, Devils 1-2	First Period: Buffalo 1 (D), 1
Buffalo 3, Devils 2-1	Second Period: Buffalo 1 (D), 1
Buffalo 4, Devils 3-2	Third Period: Buffalo 1 (D), 1

SOUTHEAST DIVISION

Carolina 1, Panthers 0-1	First Period: Carolina 1 (D), 1
Carolina 2, Panthers 1-0	Second Period: Carolina 1 (D), 1
Carolina 3, Panthers 2-1	Third Period: Carolina 1 (D), 1

WESTERN CONFERENCE

Detroit 2, Red Wings 1-2	First Period: Detroit 1 (D), 1
Detroit 3, Red Wings 2-1	Second Period: Detroit 1 (D), 1
Detroit 4, Red Wings 3-2	Third Period: Detroit 1 (D), 1

CENTRAL DIVISION

Detroit 1, Red Wings 0-1	First Period: Detroit 1 (D), 1
Detroit 2, Red Wings 1-0	Second Period: Detroit 1 (D), 1
Detroit 3, Red Wings 2-1	Third Period: Detroit 1 (D), 1

NORTHWEST DIVISION

Colorado 1, Avalanche 0-1	First Period: Colorado 1 (D), 1
Colorado 2, Avalanche 1-0	Second Period: Colorado 1 (D), 1
Colorado 3, Avalanche 2-1	Third Period: Colorado 1 (D), 1

PACIFIC DIVISION

Dallas 1, Stars 0-1	First Period: Dallas 1 (D), 1
Dallas 2, Stars 1-0	Second Period: Dallas 1 (D), 1
Dallas 3, Stars 2-1	Third Period: Dallas 1 (D), 1

ATLANTIC DIVISION

Carolina 1, Flyers 0-3	First Period: F-Johansson 3 (D), 2
Carolina 2, Flyers 1-2	Second Period: Carolina 1 (H), 1
Carolina 3, Flyers 2-1	Third Period: Carolina 1 (H), 1

NORTHEAST DIVISION

Buffalo 2, Devils 1-2	First Period: Buffalo 1 (D), 1
Buffalo 3, Devils 2-1	Second Period: Buffalo 1 (D), 1
Buffalo 4, Devils 3-2	Third Period: Buffalo 1 (D), 1

SOUTHEAST DIVISION

Carolina 1, Panthers 0-1	First Period: Carolina 1 (D), 1
Carolina 2, Panthers 1-0	Second Period: Carolina 1 (D), 1
Carolina 3, Panthers 2-1	Third Period: Carolina 1 (D), 1

WESTERN CONFERENCE

Detroit 2, Red Wings 1-2	First Period: Detroit 1 (D), 1
Detroit 3, Red Wings 2-1	Second Period: Detroit 1 (D), 1
Detroit 4, Red Wings 3-2	Third Period: Detroit 1 (D), 1

CENTRAL DIVISION

Detroit 1, Red Wings 0-1	First Period: Detroit 1 (D), 1
Detroit 2, Red Wings 1-0	Second Period: Detroit 1 (D), 1
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NORTHWEST DIVISION

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PACIFIC DIVISION

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ATLANTIC DIVISION

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NORTHEAST DIVISION

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SOUTHEAST DIVISION

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Carolina 3, Panthers 2-1	Third Period: Carolina 1 (D), 1

WESTERN CONFERENCE

Detroit 2, Red Wings 1-2	First Period: Detroit 1 (D), 1
Detroit 3, Red Wings 2-1	Second Period: Detroit 1 (D), 1
Detroit 4, Red Wings 3-2	Third Period: Detroit 1 (D), 1

CENTRAL DIVISION

Detroit 1, Red Wings 0-1	First Period: Detroit 1 (D), 1
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Detroit 3, Red Wings 2-1	Third Period: Detroit 1 (D), 1

NORTHWEST DIVISION

Colorado 1, Avalanche 0-1	First Period: Colorado 1 (D), 1
Colorado 2, Avalanche 1-0	Second Period: Colorado 1 (D), 1
Colorado 3, Avalanche 2-1	Third Period: Colorado 1 (D), 1

PACIFIC DIVISION

Dallas 1, Stars 0-1	First Period: Dallas 1 (D), 1
Dallas 2, Stars 1-0	Second Period: Dallas 1 (D), 1
Dallas 3, Stars 2-1	Third Period: Dallas 1 (D), 1

ATLANTIC DIVISION

Carolina 1, Flyers 0-3	First Period: F-Johansson 3 (D), 2
Carolina	

SPORTS

Arizona Stuns Dallas In Wild-Card Game

Cardinals Earn First Playoff Victory Since '48

By Timothy W. Smith
New York Times Service

IRVING, Texas — The wheels have been wobbling all season, but the Dallas Cowboys made it to the National Football League playoffs as the strongest team in a weak division. The Cowboys had managed to win the National Football Conference East, but they were not the powerful Dallas teams of the past. The wheels came off completely Saturday.

CARDINALS 20, COWBOYS 7

Saturday afternoon to the most unlikely of opponents, the Arizona Cardinals. The Cardinals (10-7), in their first playoff appearance in 16 seasons, applied relentless defensive pressure and allowed the Cowboys to unravel through their own ineptitude, pulling off a stunning 20-7 victory in an NFC wild-card game before a sellout crowd at Texas Stadium.

It was the Cardinals' first playoff victory since 1948.

This was not the kind of playoff performance that Cowboys fans have come to expect. In the third quarter, when they needed to cut into the Cardinals' 17-0 lead, the Cowboys produced no points in three offensive possessions. The Cowboys fell behind by 20-0 early in the fourth quarter; their offense lifeless, they appeared to be a beaten team at that point.

With the victory, the Cardinals advance to the second round of the playoffs and will face Minnesota at the Metrodome on Sunday.

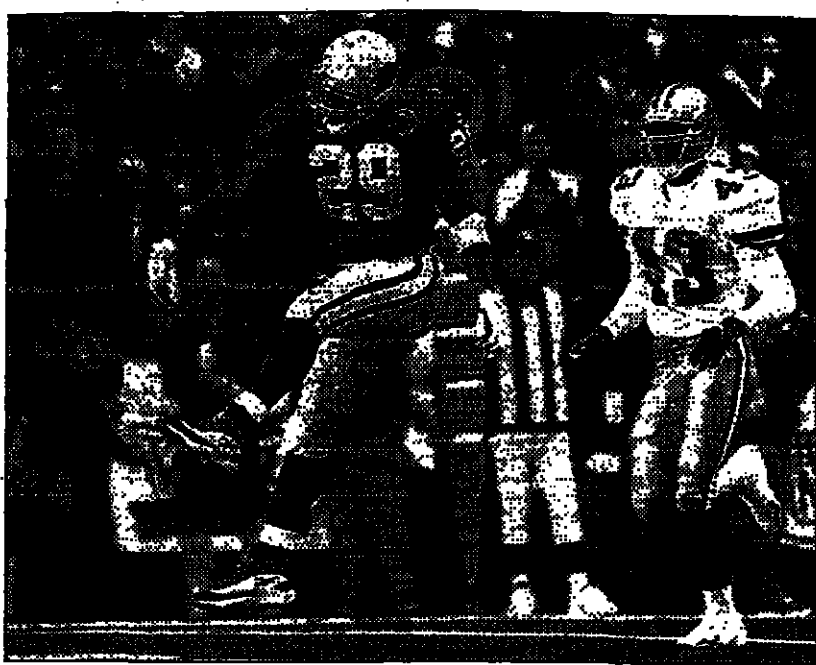
In the first half, it was difficult to tell that the Cardinals were the team with the limited playoff experience and the team that had not won at Texas Stadium in 10 years — or that the Cowboys had beaten them twice this season. Indeed, the Cowboys had a 16-2 record against the Cardinals in this decade entering this game.

Despite controlling the ball with a bruising rushing attack (Emmitt Smith had 51 yards on 13 carries in the first half), the Cowboys had no points. Two of quarterback Troy Aikman's passes were intercepted, thwarting drives. The Cowboys blew a great scoring chance when Cardinals linebacker Mark Maddox stopped Smith for a 1-yard loss on a fourth-and-1 at the Cardinals' 7.

Meanwhile, the Cardinals scored their first touchdown on a cleverly executed shovel pass from Jake Plummer to running back Adrian Murrell that went for 12 yards. And they scored with 19 seconds to play in the first half on Chris Jacke's 37-yard field goal. The Cowboys were booed as they headed to the locker room at the half, trailing by 10-0.

This was not supposed to be happening. There were still enough players around from the Cowboys' Super Bowl teams of 1992, 1993 and 1995 to know better than to let a wild-card game slip away. The Cowboys were 4-1 in wild-card games.

The Cardinals were making their first playoff appearance since 1982. That was a strike-shortened season and the then-St. Louis Cardinals made it in with a 5-4 record. There were no division



Adrian Murrell of Arizona spiking the ball after scoring against Dallas.

winners and by virtue of their record, the Cardinals were included in the post-season tournament.

They did not last long. After Green Bay blasted them by 41-16 at Lambeau Field, the Cardinals have been trying to get back into the postseason ever since.

Arizona made it here on the guide of quarterback Plummer and the foot of Jacke, who kicked last-second game-winning field goals in three of the four games he had played in since signing with the team on Dec. 1 to replace Joe Nedney, who is injured.

All eyes were on another foot, though. Cowboys cornerback Deion Sanders was playing in his first game since injuring his left big toe in a Nov. 15 game against the Cardinals at Sun Devil Stadium. Sanders went out of that game in the first half and Plummer and receiver Frank Sanders took advantage.

Deion Sanders received a big ovation when he walked onto the field for the Cowboys' first defensive series. Plummer tested him on the Cardinals' second play from scrimmage, throwing a quick out to Moore, who dodged the cornerback and picked up 6 yards.

That was the only time in the first half that Plummer threw Sanders' way. Sanders came out to return one punt, and got another ovation, but Cardinals punter Scott Player punted the ball out of bounds at the 47.

Sanders saved a touchdown by dragging down Cardinals running back Adrian Murrell at the Cowboys' 3 after a 74-yard run.

It was the longest run against the Cowboys' defense in postseason play. Plummer hit fullback Larry Centers on a 3-yard scoring pass on the next play to put the Cardinals ahead by 17-0 early in the third quarter.

Miami Holds Off Buffalo After a Close Encounter

By Mike Freeman
New York Times Service

MIAMI — The Buffalo Bills' magical season is over, but things are just getting started for the Miami Dolphins. But this was close, very close, thanks to an incredible comeback effort by Bills quarterback Doug Flutie in one of the best games of the year.

A strong Miami defense overcame a stubborn Flutie and a playoff-record day by wide receiver Eric Moulds, who had 240 receiving yards, and the Dolphins hung on to beat the Bills, 24-17, Saturday.

DOLPHINS 24, BILLS 17

Monday before 72,698 at Pro Player Stadium in the wild-card round of the American Football Conference playoffs.

Miami took a 14-7 lead early in the third quarter after a great offensive series led by Dan Marino's passing and solid running by Karim Abdul-Jabbar, who scored on a 3-yard run. Fullback Stanley Fritchett converted the 2-point conversion on a run up the middle.

Then came Flutie and Moulds, one of the most unstoppable tandems in the NFL this year. One key play came on a third down deep in Miami territory. The Dolphins, which had blitzed Flutie all afternoon with mixed success, did so again. They sent a defensive back from the corner and just seconds before Flutie got hit, he lobbed a perfect pass to Moulds, the ball landing on his finger tips for a 32-yard touchdown.

The Dolphins took a 17-14 lead after an Orlando Mare field goal from 23 yards. Then the Miami defense, scorched in the season finale against Atlanta, came up with a huge play. Bills wide receiver Andre Reed made a first-down catch but was stripped of the ball by defensive back Jerry Wilson. The fumble was recovered by Terrell Buckley.

Miami was able to convert that turnover into a touchdown after Marino threw a 12-yard bullet to wide receiver Lamar Thomas. That helped the Dolphins to a 24-14 lead with just under 4 minutes left.

Reed was thrown out of the game after bumping an official in the final minutes, angry he was ruled short of the goal line when he thought he got in. So instead of having the ball at the 1-foot

line, the Bills were penalized 15 yards and later had to kick a 33-yard field goal with 1 minute 33 seconds left.

At that point, it looked like the game was over. But an onside kick was recovered by the Bills at the Buffalo 31-yard line. The Bills worked their way to the Miami 22 with 57 seconds left. Then the Bills, as the crowd grew silent, worked its way to the 5 with 15 seconds left.

Then Flutie was sacked by defensive end Trace Armstrong, who pounded Flutie, and knocked the ball loose. It was recovered by Miami's Shane Burton.

That was the last of the Bills' five turnovers.

On the Bills' first play, the beginning of an incredible flurry of activity in the opening minutes, Flutie went deep to Moulds. It is rare to see a receiver beat a cornerback as badly as Moulds beat Terrell Buckley, who was in man-to-man coverage. Moulds ran by Buckley in the blink of an eye, caught the ball about 30 yards downfield and streaked for the end zone.

Then, 15 yards short of the end zone, the football came loose — either the trailing Buckley knocked the wet ball out of Moulds' hands, or Moulds simply dropped it. Buckley wisely pinned Moulds on the ground to prevent him from recovering the ball, as safety Brock Marion picked it up and ran to the Miami 29. A sure scoring opportunity had turned into a devastating turnover.

The Bills did not waste time getting back into the game after their early mistake. Flutie again went to Moulds, who burned Miami on a 37-yard catch to the 5. Two plays later, running back Thurman Thomas, who has punished the Dolphins over the years, scored on a 1-yard run.

Then came some bizarre moments. After forcing the Dolphins to punt, the Bills were again driving to score. Flutie had taken the Bills to the 6 and faced a third down when he made a rare mistake. He tried to squeeze the football to a double-covered Reed in the end zone, and the pass was intercepted by Marion.

There were just 15 seconds left in the first half and Marino lobbed the ball deep, taking a long shot at a catch, and it paid off. The ball bounced off the chest of Oronde Gadsden and was caught by O.J. McDuffie for a 56-yard gain to the Buffalo 9 with three seconds left. Easy field goal, right? But Mare missed it, sending the 27-yard kick off the right upright.

Florida Routs Syracuse in Orange Bowl, 31-10

The Associated Press

MIAMI — Shut down by the nation's top defense in a loss to Florida State in the regular-season finale, the seventh-ranked Florida Gators rebounded with a dominating performance in a 31-10 rout of No. 18 Syracuse in the Orange Bowl.

Doug Johnson tossed two touchdown passes Saturday night before breaking his left leg, and Jesse Palmer threw one for the score and ran for one, proving once again that Florida's offense flourishes regardless of who is at quarterback.

Johnson was injured late in the second quarter. Palmer, the starter for six games before breaking his collarbone Oct. 10, threw his TD pass for a 21-lead on his second play.

The victory enabled Florida (10-2) to finish with at least 10 victories for the sixth straight season. The Gators' only losses were to top-ranked Tennessee and No. 2 Florida State, who will play

for the national championship Monday night in the Fiesta Bowl.

"We lost to No. 1 and No. 2, didn't really play our best games," said Florida's coach, Steve Spurrier, who has led Florida to one national championship and five Southeastern Conference titles this decade.

"We fought back and won 10 games, but we're still disappointed," Spurrier added. "We'd like to be ordering championship rings in the next few weeks like we've done in the past. We've gone two years without winning one. But hopefully we can get back to winning championships real soon."

The Gators stated their case for a top-5 finish with 441 yards of offense and a suffocating defense that contained quarterback Donovan McNabb and limited Syracuse (8-4) to a second-quarter field goal until Maurice Jackson scored on a 62-yard reception with just over three minutes to go.

Travis Taylor caught both of Johnson's TD passes and had seven receptions for 159 yards to earn most valuable player honors. Terry Jackson rushed for 108 yards on 21 carries in his first extensive action since severely spraining an ankle midway through the season.

The defense, meanwhile, answered the question of whether it would be affected by the departure of defensive coordinator Bob Stoops, who left in November to coach Oklahoma. Florida forced four turnovers — including three by McNabb, who fumbled twice and threw one interception in his final college game. He completed 14 of 30 passes for 192 yards and rushed for 72 yards on 20 attempts.

Florida State held the Gators to 88 yards on 204 attempts, using as many as eight defensive backs to blanket the Gators' talented receivers. But Syracuse lacked the depth to try the same approach. And with the Orangemen also unable to mount a consistent pass rush,

Johnson and Palmer had lots of time to find their targets.

Johnson led two quick-strike drives in the opening quarter. His 51-yard TD pass to Taylor finished an 84-yard march lasting 39 seconds, and Taylor scored again on the Gators' next possession when he broke a tackle at the 15 to finish a 26-yard play for a 14-0 lead. The second drive, covering 68 yards, lasted 40 seconds — giving Florida 18 scoring drives of less than a minute and 28 of less than two minutes this season.

Johnson completed his first six passes and finished 12-of-17 for 195 yards. Palmer was just as hot on his first two series, throwing a 4-yard TD pass to Erron Kinney on his first attempt and completing his next four to set up his 2-yard scoring run that put the Gators up 28-3 at the half.

Meanwhile, the Florida defense put the clamps on McNabb, the three-time Big East offensive player of the year.



Bills' Doug Flutie fumbling as the Dolphins' Robert Jones tackles him.

Badgers, Not the Bruins, Smell the Bouquet of Roses

The Associated Press

PASADENA, California — Ron Dayne took himself out of the game a couple of times because his shoulder was bothering him. Early in the first quarter, he had a brief bout of nausea.

The rest of the time, however, the burly Wisconsin tailback was slicing up UCLA's defense for 246 yards and

said he was not aware that Dayne was near the record.

"That's all right," Dayne said. "That wasn't our goal, to set a record. Our goal was to win."

While the once-beaten Badgers capped their first 11-victory season and won the Rose Bowl for the second time in five years, both times against UCLA, the Bruins finished their season with a pair of losses. The first was the more disappointing for them, a 49-45 defeat at Miami on Dec. 5 that dropped the Bruins out of a national title showdown in the Fiesta Bowl and into the Rose Bowl.

UCLA (10-2) joined Kansas State as a loser in a bowl game after being knocked out of the running for the national title. The Wildcats, beaten by Texas A&M in the Big 12 championship, were then upset by Purdue in the Alamo Bowl.

Neither UCLA's coach, Bob Toledo, nor his players said that the Rose Bowl was a disappointment for them, although he and quarterback Cade McNown have indicated that they would prefer a playoff system in the Bowl Championship Series leading to the title game.

McNown threw for 340 yards and two touchdowns to finish his four years as a UCLA starter.

DeSham Foster, a UCLA freshman running back, said: "I feel bad for the seniors going out and losing their last two games. We had it in our control but it slipped away."

SUGAR BOWL No. 3 Ohio State 24, No. 8 Texas A&M 14 In New Orleans, the third-ranked Buckeyes squandered one scoring opportunity after another but still gained a victory over No. 8 Texas A&M.

Now, all Ohio State (11-1) can do is hope that Florida State beats No. 1 Tennessee in the Fiesta Bowl on Monday night and hope that the voters for the final rankings consider their Sugar Bowl victory to be championship material.

"If it's a sloppy game and Florida State wins, you could make an argument that the Buckeyes are as good as anybody in the country," said John Cooper, Ohio State's coach.

But the last thing Cooper and the Buckeyes needed was a sloppy performance by an offense that amassed 432 yards, moved in Texas A&M territory nine times but failed to score a

touchdown in the final three quarters.

Joe Germaine threw for a touchdown, Joe Montgomery rushed for one and the special teams came up with a blocked punt return for a score — all in the first quarter. But that was all the touchdowns Ohio State could muster.

What looked like it might be the rout the Buckeyes could have had too many anxious moments in the end. And with each failed opportunity, Ohio State's slim hopes to share the national championship title got a little slimmer.

"I think we're the best team in the country, but unfortunately it's not in our hands right now," said Reggie Germany, who caught an 18-yard touchdown pass.

Texas A&M, which came from behind in five of its victories this year, never quit. After trailing, 24-7, at halftime, the Aggies closed to 24-14 on a 7-yard touchdown pass from Brandon Stewart to Leroy Hodge.

They tried for one more comeback — just like the one over Kansas State in the Big 12 Championship game that put them in the Sugar Bowl — but Jerry Rudzinski tipped a lateral pass and recovered the fumble to end one drive, and the Buckeyes' defense made enough plays to keep the lead.

CITRUS BOWL No. 15 Michigan 45, No. 11 Arkansas 31 Tom Brady had just thrown two interceptions, both of them setting up touchdowns that helped Arkansas turn a 14-point deficit into a 7-point lead. His coach thought it was time for a talk.

"The measure of a quarterback isn't statistics but wins and getting your team in the end zone," Michigan's coach, Lloyd Carr, told him. "This is what a quarterback lives for."

With that, Brady engineered two scoring drives in the final six minutes to resurrect the No. 15 Wolverines and earn a victory over the Razorbacks in the Citrus Bowl in Orlando, Florida.

In a game reported in late editions of the Saturday-Sunday IHT:

GATOR BOWL No. 12 Georgia Tech 35, No. 17 Notre Dame 28 Georgia Tech's Dez White caught touchdown passes of 44 and 55 yards from Joe Hamilton, helping No. 12 Georgia Tech to a victory over No. 17 Notre Dame in the Gator Bowl in Jacksonville, Florida.

Hamilton and White outdueled Jarious Jackson and Antny Denson, leading the Yellow Jackets (10-2) to their first 10-victory season since 1990.

Trying to snap a three-game bowl losing streak, Notre Dame (9-3) broke out its green jerseys for the first time since the 1995 Fiesta Bowl. But those uniforms could not defend White nor Hamilton, and the Fighting Irish failed to pull out, as they have so often, another last-second victory.



Texas A&M's Sedrick Curry pulling down Ohio State's David Boston, the Sugar Bowl's most valuable player.

Moss Wins Rookie Award

The Associated Press

NEW YORK — Just like Randy Moss to run away from the competition.

The game-breaking wide receiver for the Minnesota Vikings was a landslide winner of The Associated Press's NFL Offensive Rookie of the Year award Sunday. Moss, who led the NFL with 17 touchdown receptions and averaged 19 yards per catch, received 44 votes from a nationwide panel of 47 sports writers and broadcasters.

Indianapolis quarterback Peyton Manning, the top overall pick in the 1998 draft, got two votes. The other vote went to Jacksonville running back Fred Taylor. Moss, who refused to be interviewed after learning he won the award, was chosen 21st in the draft. Although he was an All-American and a dangerous receiver at Marshall, off-field problems made most NFL teams wary of taking him.

The Vikings had no reservations, and were rewarded with an All-Pro year in which Moss made 69 receptions for 1,313 yards.

And Moss was not even at full strength the entire season, bothered by an ankle he sprained while playing basketball in May.

"I said it before: You won't see all of Randy until next year," Coach Dennis Green said.

Moss helped the Vikings produce the league's best record (15-1), and set an NFL record with 556 points. He found many ways to get free deep, and if he did not, he used his size and tremendous leaping ability to outjump defenders.

The offensive coordinator, Brian Billick, said: "He's brought the offense to a critical mass. He's taken it from an offense that is one of the best in the

league to challenging, maybe, the all-time best, based on points and yardage."

Can Moss be one of the best ever? Green, who was an assistant coach during Jerry Rice's early days in San Francisco, has some thoughts.

"I think they're a different style of players," he said. "It's clear to everybody that Randy has exceptional speed, exceptional eye-hand coordination, and those things have held up for him so far."

Moss had two TD receptions and 95 yards in his NFL debut and never slowed down. He drew national attention in a Monday night victory at Green Bay, where he had 52- and 44-yard TDs, gaining 190 yards on five catches.

"I'm just going out there playing," Moss said during the season. "There's nothing that comes that I get down on myself or try to outdo anybody. I just try and do my job. I don't talk trash. You'll never hear me talk to a defender. They get paid to do what they do, I get paid to do what I do. My job is to make it happen."

No rookie did that better this season.

2 Jaguar Reserves Sidelined

Two Jacksonville Jaguars' reserves, running back Tavian Banks and the cornerback Cordell Taylor, were sidelined for the team's wild-card playoff game against the New England Patriots on Sunday after being involved in a car accident on their way to the team hotel the night before, The Associated Press reported from Jacksonville, Florida.

Team officials said both rookies were shaken up, but not seriously hurt. They are expected to be available should the Jaguars advance to the second round of the playoffs.

WORLD ROUNDUP

FIFA Chief Wants Cup Every 2 Years

SOCCER The president of FIFA, world soccer's governing body, proposed a dramatic change in the sport Sunday, saying that the World Cup should be held every two years instead of every four years.

Sepp Blatter said the change would increase the status of national teams, which he said were threatened by proposals for a new Super League of European clubs. "I am demanding a clear statement: Do we want national teams, or do we only want club football?" Blatter told the Zurich-based weekly SonntagsBlick.

He said his plan would see the competition taking place in all even-numbered years, instead of every four years as it is now. "The existing four-yearly tournament is out of date," Blatter said. "It dates from the 1930s when teams chugged from one continent to another on ships." (Reuters)

Sampras to Miss Open

TENNIS The world's No. 1 player, Pete Sampras, has withdrawn from this month's Australian Open, pleading fatigue after a tiring end-of-season campaign.

The tournament's director, Paul McNamee, announced Sampras's decision to take a break from the game after receiving the news from the American's agent, Jeff Schwartz. "It's obviously a tough decision for Pete," McNamee said. "It's the first Grand Slam he'll miss in over five years." (AP)

Is Seifert Carolina Bound?

FOOTBALL George Seifert, who has the best winning percentage of any coach in NFL history, will be the new head coach of the Carolina Panthers, sources said Sunday.

The team would not confirm its choice of Seifert to replace the fired Dom Capers, but sources said the Panthers were trying to arrange a news conference at Ericsson Stadium on Monday to introduce Seifert as their new coach.

Seifert, 58, who has been out of coaching since he left the San Francisco 49ers after the 1996 season, is to get a multiyear deal with Carolina for about \$2 million a season, the sources said. (AP)

Cameo Role for Haley

FOOTBALL In a stunning move borne out of the injury-riddled state of their defensive line, the San Francisco 49ers signed Charles Haley on Saturday and were planning to use him as a situational pass rusher in their National Football Conference wild-card playoff game Sunday against the Green Bay Packers.

Once one of the most feared pass rushers in the league, Haley has not played since 1996 because of back problems that forced him to undergo three operations. (AP)

Manchester United Triumphs in FA Cup

Victory Sets Up Match Against Liverpool

LONDON — Manchester United came from behind Sunday to defeat Middlesbrough, 3-1, on Denis Irwin's penalty in the 81st minute to advance to the fourth round of the Football Association Cup and set up a dramatic match with its arch-rival, Liverpool.

Two other Premier League teams also picked up victories Sunday as Liverpool won, 3-0, at first-division Port Vale and

up the match between Manchester United and Liverpool.

SPAIN Rivaldo, Luis Enrique Martinez and Oscar Garcia each scored two goals, leaving one for Luis Figo of Portugal to give Barcelona a 7-1 victory over Alaves in the 16th round of the Spanish soccer league Sunday.

The day's fiesta of goals also saw Celta beat Oviedo, 6-2, and move to within one point of the league leader, Mallorca.

In the round's lowest scoring game, Mallorca hung onto the No. 1 spot with 29 points despite a humiliating 1-0 defeat, only its second of the season, at the hands of last-place Extremadura.

Barcelona's sparkling victory appeared to bury the crisis that has plagued the Catalan powerhouse for months. It was a breath of fresh air for fans angered by its slide down the standings to the No. 9 spot at the end of last year.

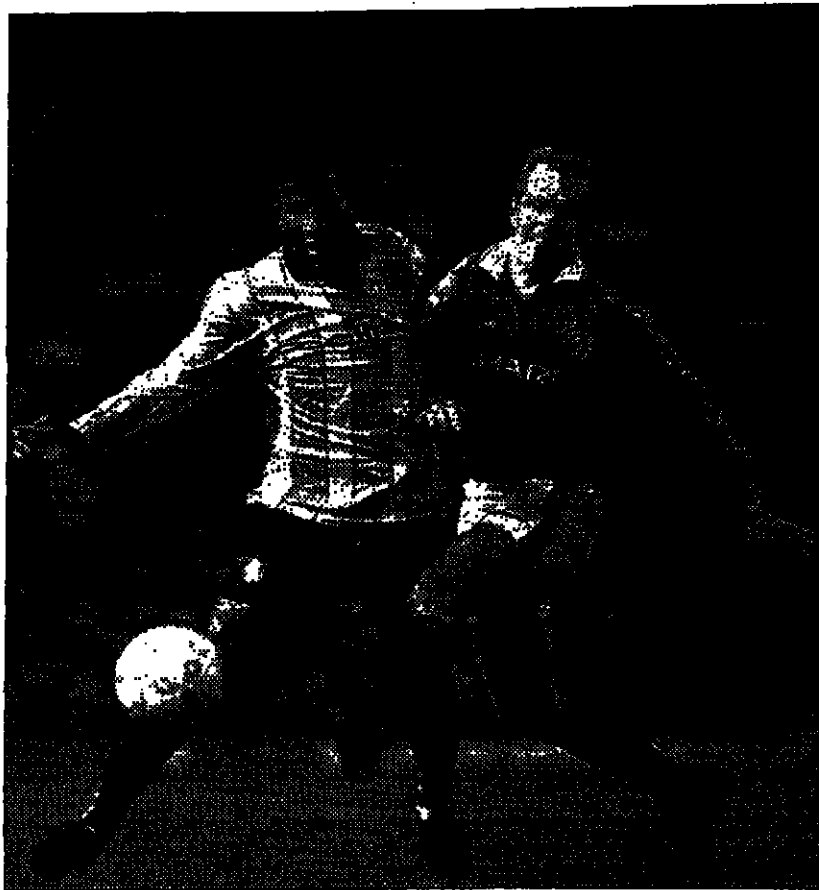
Figo's goal came first, a masterful curving shot into the Alaves net after beating the defense in the 19th minute. Luis Enrique made it 2-0 in the 36th.

After the break, Rivaldo moved into the action by scoring in the 57th minute and again in the 66th to give his team a 4-0 lead.

Pablo Gomez scored Alaves's only goal from a penalty kick in the 79th, but within 10 minutes the crowd favorite, Oscar, had knocked in two more for Barcelona. Luis Enrique sealed the final 7-1 scoreline just before the whistle blew. Barcelona now has 25 points from seven victories, four draws and five defeats.

Meanwhile, Celta's 6-2 home victory over Oviedo took the team's total points to 28.

Michael Revivo of Israel kicked in Celta's first goal in the 25th minute and its last in the 83d, leaving plenty of time for Labo Penev of Bulgaria to knock two in the net and for Valery Karpin of Estonia and Roberto Pompei of Argen-



Hamilton Ricard of Middlesbrough, left, tangling with Henning Berg of Manchester United in an FA Cup match Sunday. Manchester won, 3-1.

tina to score once each. Karpin made it 2-0 in the 32d minute and Penev scored his first and Celta's third 10 minutes later. After the break, Juan Sanchez kicked the score to 4-0 in the 63d with Penev adding another for Celta in the 75th.

A left-footed smash from Pompei resulted in Oviedo's first goal, in the 82d, just a minute before Revivo knocked in his second and Celta's sixth.

Peter Moller scored Oviedo's second compensation goal in injury time. And the rain of goals also soaked the capital with Real Madrid defeating lowly Tenerife 4-0.

SCOTLAND Henrik Larsson scored on a header in the 66th minute Sunday as

Celtic came back from a goal behind to tie Rangers 2-2 in a century-old rivalry between the two Scottish giants.

The draw left Rangers atop the Scottish Premier League with 44 points to 40 for Kilmarnock and 34 for Celtic as the defending league champion clings to a slim hope of retaining the title.

Alan Stubbs gave Celtic a 1-0 lead in the 39th, but the Rangers' Gabriel Amato equalized in the 45th and then went ahead in the 58th on a close-in goal by Rod Wallace off a key pass from Amato.

Stubbs hit the crossbar late in the match for Celtic as Celtic tried to duplicate a 5-1 victory two months ago against the Rangers.

Jaguars Outpace Patriots to Win Playoff, 25-10

JACKSONVILLE, Florida — Mark Brunell has not shaken off all the rust yet. Thanks to Fred Taylor and a burst of speed from Jimmy Smith, he will have another week to work on it.

Taylor ran for 162 yards and Smith beat a fellow Pro Bowler, Ty Law, for a

on a sideline pattern for a 37-yard touchdown after the Patriots had cut a 12-point halftime deficit to 12-10.

"It was a little difficult," Brunell said of playing with the hurt ankle. "I was able to move a little bit, and as the game went on it started feeling all right."

Meanwhile, Taylor easily won the matchup against fellow rookie Robert Edwards, who finished with just 28 yards on 17 carries. Each of them rushed for more than 1,000 yards this season.

New England's up-and-down season ended at 9-8 and with a rash of injuries, raising doubts about whether Coach Pete Carroll will return for a third season. Carroll could not rely on quarterback Drew Bledsoe, receiver Terry Glenn and middle linebacker Ted Johnson, all sidelined with injuries.

After winning their first home playoff game, the Jaguars (12-5) will travel to New York to play the Jets on Sunday in

a second-round game. It will mark Coach Tom Coughlin's first meeting with his old mentor, Bill Parcells, since the Jaguars lost to the Parcells-coached Patriots in the 1996 AFC Championship game.

"I feel good about our chances this coming week," Brunell said.

The Jaguars will surely need a better performance from Brunell, who was anything but the scrambling daredevil who built his reputation in a pair of 1996 playoff upsets over Denver and Buffalo.

Limping and unable to run, he had trouble moving the offense consistently. It seemed as if it would cost the Jaguars the game when Scott Zolak led the Patriots on two long drives in the third quarter, the first eating up 85 yards and 8:48 on the clock, to cut Jacksonville's lead to 12-7.

On New England's next possession, Zolak led the Patriots to the Jacksonville

9. But a drop by Lovett Purnell on third down stalled the drive, and they settled for Adam Vinatieri's field goal.

Brunell opened the next drive with a perfect pass to Smith on the right sideline, but he dropped it, apparently bothered by the bright sunshine. Five plays later, Smith got his second chance, streaking by Law for the catch just inside the back of the end zone.

Joel Smeace forced a fumble minutes later that the Jaguars converted into Mike Hollis's 34-yard field goal. Jacksonville got another short field goal after a Patriots desperation drive failed deep in New England territory.

That capped the team's first playoff victory since its well-documented 30-27 victory in Denver in 1996. Natrone Means was the running back then, replaced this season by Taylor, who added a few more clips to a sensational rookie season.

Wiberg Makes Comeback to Post Women's Slalom Victory

MARIBOR, Slovenia — Pernilla Wiberg of Sweden made a stunning comeback Sunday to win the women's World Cup slalom and score her first victory in nearly two years.

Ninth after the first run, Wiberg powered down the foggy and chopped-up course in her most aggressive style to post the fastest run of the day.

"I didn't think I could win because the time difference after the first run was too big," Wiberg said. "I just thought I would be happy finishing in the top five."

The 28-year-old Swedish veteran, winner of three Olympic medals, completed the two-run slalom in 1 minute, 34.88 seconds. The triumph was Wiberg's 23d on the World Cup circuit.

Hilde Gerg of Germany, fresh off a super-G victory here Saturday, finished second, just 29 hundredths of a second off Wiberg's pace. Kristina Koznick of the United States, in second position after the first run, had trouble handling the holes that developed along the course in the second run and slid to ninth place.

"The course didn't hold up very well," said a disappointed Koznick, who cried on her trainer's shoulder at the finish line. "Even though I knew there were going to be many runs, I just made too many mistakes."

A week ago, Koznick scored her first victory of the season in a night slalom in Semmering, Austria. The American said her confidence was not shaken, however, for the upcoming World Championships in Vail, Colorado.

Another Swede, Ylva Nowen, placed third in the slalom with a time of 1:55.37.

Wiberg, who hadn't won a race in two years, proved by her victory Sunday that she is still a force to contend with on the women's tour.

"My skiing has been getting better and better each race," Wiberg said. "Now my goal is to win the Worlds in Vail."

In addition to her three Olympic and five World Championship medals, Wiberg also captured the overall World Cup title in 1997. She had also already won the slalom in Maribor in 1997.

Gerg and Martina Ertl put in a great showing for Germany over two days of racing in Maribor, finishing on the podium a total of three times in three races.

"The Germans always ski well in Maribor, and this year it was the same," Gerg said. "I think it was a very good beginning to the new year."

Despite a mediocre showing in Maribor, where her best result was a third in giant slalom, Alexandra Meissnitzer of Austria leads the overall World Cup standings by a wide margin of 280 points.

The next women's World Cup race is scheduled for Jan. 8 in Berchtesgaden, Germany.

The World Skiing Championships kick off Jan. 31 in Vail.



(put on a happy face)

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